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Price 60 Cents a Copy

Looking Ahead!

"The United Nations are now headed toward victory—due to their complete accord. Only through the same spirit of cooperation, after victory is won, will these nations continue united and thus maintain a stable peace.

"Production of raw materials, output of factories—all the tools of war—are being made at a rate that keeps mines, farms and factories busy as never before. Production must continue—workmen must be able to hold permanent jobs—if the post-war world is to enjoy the fruits of 'a just and durable peace'."

Robert C. Stanley

Thus writes Robert C. Stanley, President of The International Nickel Co., in a letter to the Editor of the "Chronicle," and in an effort to direct the public's attention to these thoughts his company has prepared a series of advertisements on the subject. The first one appears on page 1485 of this issue and carries these catch phrases: **"Industry is**

(Continued on page 1478)

Connecticut-Michigan

Special material and items of interest with reference to dealer activities in the above States appear in this issue; for Michigan see page 1478; Connecticut on page 1480.

Post-War Investment Opportunities

The post-war economy of the United States will be highly abnormal, and one of the important steps to reduce abnormal conditions to the minimum is the encouragement of risk taking and maintenance of a high spirit of adventure in the community, Dr. Sumner H. Slichter of Harvard University said last Saturday, speaking before the annual Economic Seminar of the New York Chapter, American Society of Chartered Life Underwriters, at the Waldorf-Astoria Hotel in New York.

Prof. S. H. Slichter

"It is fairly easy for the economy to put to work large quantities of investment seeking funds and to adjust itself to drops in the propensity to consume, provided the spirit of risk taking flourishes," Dr. Slichter said. "The encouragement of risk taking will require new developments in public policy. During the last ten years, public policy has treated the risk taker pretty harshly. The nation which wishes a high standard of living must regard innovators, experimenters and starters of enterprises as peculiarly useful citizens and must be willing to go out of its way to furnish them a congenial and hospitable environment."

The four specific steps suggested by Dr. Slichter to minimize abnormal conditions in the post-war period were:

1. Encourage the holding of war savings bonds until maturity;
2. Discourage individuals from rapidly spending their large accumulations of cash and demand deposits; to the extent that individuals convert these funds into annuities or insurance, the problem of shift will be facilitated;
3. Encourage business enterprises to plow back a large proportion of their earnings rather than distribute them as dividends;
4. Tax less heavily income from risk taking.

Discussing the trend of post-war business, Dr. Slichter pictured a huge "catching up" production, to meet the backlogs in all fields of consumer goods. "There will be an enormous need for goods based upon deferred purchases," he said. "No estimates of these needs pretend to be very accurate. By the middle of 1943, however, the deferred demand for durable consumer goods will exceed $3,000,000,000. By the middle of next year it will be about $25,000,000,000."

Commenting on post-war economy, Dr. Slichter said: "There will be a substantial need for goods arising out of geographical shifts in population. The country will have accumulated a backlog of investment opportunities because of technological progress during the war. There will be an enormous potential demand for goods based upon the great accumulation of liquid assets brought about by the war. After the war, the country will find itself with a price structure which will require many readjustments.

(Continued on page 1486)

The Individual In A Corporate World

FREEDOM AND SECURITY DO NOT GO HAND IN HAND

The Ability of the World to Make the Four Freedoms of The Atlantic Charter a Reality Questioned

The methods and costs of attaining the Four Freedoms, now established as war objectives under the Atlantic Charter, must be closely scrutinized by every American, to make certain that none of the present freedoms are lost, it was asserted last Saturday by President Alan Valentine of the University of Rochester, speaking before the annual Economic Seminar of the American Society of Chartered Life Underwriters, at the Waldorf-Astoria in New York City.

Dr. Alan Valentine

"These are desirable objectives and we should all make great sacrifices toward their realization, if it is clear that they are attainable," Dr. Valentine said, "but it is not too soon to estimate the probabilities and the ultimate tangible and intangible costs. Among the costs to be estimated is the cost to Americans, in terms of their present freedoms."

Discussing the costs in terms of individual freedom of the application of the Four Freedoms, Dr. Valentine said: "First, they would cost every American so much in money that most of our present economic elbow room and nearly all of our private enterprise system would have to vanish. But the challenge to American freedom is not only through high taxes and loss of private capital for individual enterprise. We regard present Government controls as endurable through the war but unendurable and undemocratic in normal times. There could be no relaxation of these controls, no diminution of centralized government power and its bureaucracies if the Four Freedoms were to be realized. The economic totalitarianism of war would become the economic totalitarianism of the global

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N. Y. Savings Bank Committee Calls For United Action To Coordinate Post-War Planning

Urges All To Cooperate In Strengthening American Economic System

Citing that any plan for post-war reconstruction and prosperity requires cooperation of all groups—industry, banking, agriculture and labor—the New York State Savings Banks Committee on Post-War Planning and Reconstruction, in its recent report, calls for the constructive and aggressive formulation of a plan with all groups participating under the leadership of one qualified organization. The report considers the problems confronting the Nation, New York State and New York City and suggests that for the national plan some such leadership as the United States Chamber of Commerce is desirable and for New York City, the planning should be centered in a group such as the Regional Plan Association.

De Coursey Fales

Charles Diebold, Jr.

In discussing the national situation the committee (composed of Charles Diebold, Jr., Harold Stone, Frank H. Williams, William L. DeBost, James T. Lee, Oliver W. Roosevelt, Joseph A. Broderick, Clarence M. Fincke, Edward A. Richards and Philip A. Benson, all leading savings bankers, under the chairmanship of DeCoursey Fales, President of The Bank for Savings, stated:

"After this war we will possess the greatest plant capacity in our

(Continued on page 1490)

Foresees Television As A Vigorous Post-War Industry

When peace comes, radio manufacturers, now devoting all their facilities to war production, will be prepared to build reasonably priced television sets in large volume, Dr. W. R. G. Baker, General Electric Vice-President, told the Schenectady (N. Y.) Advertising Club earlier this month.

The size of the picture produced by a television set will depend on public demands, the advertising audience was told; but Dr. Baker pointed out that in his opinion the American people will not want a picture the size of their wall in their living rooms. The average person probably will want a picture from 12 to 15 inches square so that he can sit seven or eight feet away from the television set and enjoy the program, it was explained.

Dr. W. R. G. Baker

There is no technical reason why motion-picture houses cannot receive and project special television pictures on their screens after the war if such a procedure can be made economically sound and if managers can attract audiences to the theatrers to see these pictures, Dr. Baker said..

He left to the audience's imagination the effect of television on people's lives, quoting the old Chinese proverb that a picture is worth 10,000 words.

The television sets built after the war probably will produce pictures in black and white because color television may be too expensive and still has not been worked out to the engineers' satisfaction, Dr. Baker pointed out. Color television will come, he said, but probably not for some time after the war ends. Then, too, any immediate adoption of color television would make obsolete much of the transmitting equipment of the nation's eight television stations, which

(Continued on page 1478)

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Cunningham V.-P. Of Equitable Management

BOSTON, MASS. — Equitable Management Corporation of Massachusetts, 82 Devonshire St., announces the association with it of Spurgeon H. Cunningham as Vice-President in charge of distribution through investment dealers of shares of Equitable Investment Corporation of Massachusetts.

Mr. Cunningham has been actively associated with the wholesaling of Boston managed investment trust shares exclusively for the last 15 years.

Springer To Manage Carl Marks Of Chicago

William P. Springer, who has been with Carl Marks & Company, Inc., foreign securities specialists, New York and Chicago, for the past seven years, has been placed in charge of the Chicago affiliate of the firm.

Mr. Springer has been active in "Foreigns" here and abroad for over 15 years and now holds the office of Vice-President of the Illinois corporation, succeeding Mr. I. Zippin, who resigned.

Mr. Springer has had two years of training on the London Stock Exchange and has also been a member of other European Bourses.

Lawrence Greenlee Is With Peters, Writer

(Special to The Financial Chronicle)

DENVER, COLO.—Lawrence A. Greenlee has become associated with Peters, Writer & Christensen, Inc., U. S. National Bank Building. Mr. Greenlee was previously with Vasconcells, Hicks & Co. for eleven years in charge of the municipal department.

E. Volz Associated With John M. Douglas

OMAHA, NEB. — Edward T. Volz has resigned as vice-president of Wachob-Bender Corporation, and is now associated with John M. Douglas, Investments, Insurance Building.

A. S. Shoninger Dies

Alexander S. Shoninger, Assistant Vice-President of Massachusetts Distributors, Inc., 111 Devonshire Street, Boston, Mass., died on April 16, 1943.

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Thursday, April 22, 1943

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Chicago Municipal Men To Vote For Officers

CHICAGO, ILL. — The annual meeting of the Municipal Bond Club to elect officers and directors for the ensuing year will be held at the Attic Club on April 30, George L. Martin, President of the association, announced.

Nominated for officers for the 1944 fiscal year are:

President: Lewis Miller, First National Bank.

Secretary: Elton S. Emrich, Harris, Hall & Co.

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Directors: Newell S. Knight, Barcus, Kindred & Co.; George L. Martin, Martin, Burns & Corbett, Inc.; L. M. Rieckhoff, Northern Trust Co.; Floyd W. Sanders, Smith, Barney & Co.; Ivan W. Wing, Weeden & Co.

Clothing Stock Looks Good

An interesting descriptive circular on Fashion Park, Inc., which the firm believes offers attractive possibilities, has been prepared for distribution by Blauner, Simons & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from Blauner, Simons & Co. upon request.

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OUR REPORTER'S REPORT

The Federal Government's apparent determination to end the tax-exempt status of obligations of States and other governmental subdivisions came back into the limelight this week when hearings opened in a suit by a holder of bonds of the Port of New York Authority to recover $2,943 paid as deficiency income taxes on revenue from his holdings.

The petitioner's case is being sponsored by the Port of Authority as a test of the validity of the Treasury Department's assessment against the interest on the bonds, and is being fought in the interest of all holders of the Authority's securities.

Counsel for the plaintiff is contending that the Port Authority is a governmental subdivision falling within the definition set forth in the Revenue Act. Counsel for the Internal Revenue Bureau maintains conversely that since the Authority does not exercise sovereign powers of the State, it just not enjoys the status of a governmental subdivision.

The case is expected to ultimately bring a ruling from the United States Supreme Court, on whether or not Congress has the constitutional right to tax State and municipal issues. Meanwhile, the municipal market shows a disposition to do little more than coast along.

(Editor's Note: Further details regarding the suit now in progress will be found in the Municipal News and Notes Department in this issue.)

Hung On Technicalities?

Decision of the Kansas City Terminal Railway to forego projected refinancing of its outstanding $49,000,000 mortgage debt at this time, sets that operation back for at least six months under the terms of the "call provision" governing the outstanding bonds.

Bankers had been confident that this deal involving $47,000,000 of new serial bonds would go

(Continued on page 1489)

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The Future Of The Gold Standard

In an authoritative article which appeared in the "Chronicle" April 1, bearing the above caption, Dr. Edwin Walter Kemmerer, Professor of International Finance in Princeton University, discussed the post-war monetary situation and expressed the conviction that the doctrines of the gold-standard school would prevail and we would be spared the chaos that would ensue if each country adopted its own nationalistic paper-money standard. The "Chronicle" invited comments from its readers regarding the views expressed by Dr. Kemmerer, and some of the letters received were given in our issues of April 8 and April 15. Additional ones are given herewith:

ELMER THOMAS
United States Senator From Oklahoma

I have read Dr. Kemmerer's article with interest and do not desire to take issue with any of the statements made therein.

Sen. E. L. Thomas

I note reference is made to first, a managed paper-money school, and second, a gold standard school. I think you must agree that even those who favor a gold standard must admit that the money backed by gold must be managed. In other words, the fact that any monetary unit, even if tied to a fixed gold content, is not thereby made stable.

In 1896 we were on the gold standard and the dollar had abuying power of some $2.15 as measured by property. Then in 1920 we were still on the gold standard and the same dollar would buy only some 64 cents' worth of property. Of course, I refer to the value of property as measured by the Bureau of Labor Statistics standard. Then we remained on the gold standard and by 1932 the dollar again had a buying power of some 167 cents.

Because of the known facts I can make the statement with assurance that the value of gold in terms of property can be placed at any point so long as the Government manging its money can

(Continued on page 1493)

Pflugfelder Honored; 25 Years In "Street"

At an impromptu gathering at the offices of Pflugfelder, Bampton & Rust, members of the New York Stock Exchange, 61 Broadway, New York City, the senior partner of the firm, William H. Pflugfelder, was honored by his associates and friends, and was presented with a wrist watch to mark his twenty-fifth anniversary in Wall Street.

Wm. H. Pflugfelder

Mr. Pflugfelder began his career in the financial district on April 16, 1918 at the age of fourteen with Sylvester P. Larkin and was later a partner in the firm of Theodore Prince & Co.

In 1936 he formed, together with Benjamin E. Bampton and Adolf H. Rust, the firm of Pflugfelder, Bampton & Rust, which has become widely known throughout the country as specialists in railroad bonds and railroad reorganization securities. The firm publishes the well-known manual "Guide to railroad reorganization securities."

St. Paul Fire & Marine Insurance Looks Good

The St. Paul Fire & Marine Insurance Co. of St. Paul, Minn., offers attractive investment possibilities according to a memorandum just issued by F. L. Brokaw & Co., 110 William Street, New York City. Copies of this memorandum together with a consolidated balance sheet as of Dec. 31, 1942 and comparative earnings figures from 1933 to 1942 may be had upon request from F. L. Brokaw & Co.

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Pierpont Davis Heads Greater NY Fund Group

Pierpont V. Davis, President and Director of Harriman Ripley & Co., has accepted the chairmanship of the Manhattan Finance Section of the sixth annual campaign of The Greater New York Fund, on behalf of 406 voluntary hospitals, health and welfare agencies.

Pierpont V. Davis

As chairman, Mr. Davis heads one of four major business sections organized for the campaign, it has been announced by W. Randolph Burgess, Vice-Chairman of the Board of the National City Bank and General Campaign Chairman. The Finance Section includes 18 separate divisions.

"We are particularly gratified that Mr. Davis has accepted this post," Mr. Burgess declared. "It is an important assignment, calling for sound leadership. In Mr. Davis we have a chairman who will be able to rally the fullest support of New York's financial community."

Outlining his plans, Mr. Davis explained that the Finance Section will enlist the support of banks, investment houses, loan companies, insurance companies and brokers, textile factors and the various exchanges.

"On their response depends to a large degree how well the home front is to be maintained in strength and health," he added.

"United in the appeal of The Greater New York Fund are more than 400 voluntary welfare agencies including family services, child care institutions, settlement houses, hospitals, clinics, health agencies, visiting nursing services and homes for the blind, crippled and aged.

"Important always, these agencies that serve all New Yorkers and aid directly 2,000,000 every year, are vital in a period of war time emergency, guarding the front behind the front."

Mr. Davis served the Fund in 1940 as chairman of the Investment Bankers Division. He has been associated with Harriman Ripley & Co. since its formation in 1934. Prior to that he was, for 18 years, Vice President of the National City Co.

He is a trustee of the Drydock Savings Institution, and a director of the National Distillers Products Corporation, the Philadelphia and Reading Coal and Iron Co., and the Wabash Railroad Co.

He is active in the affairs of the Henry Street Visiting Nurse Service.

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Spread Gospel Of Free Enterprise Wampler Urges; Warns Against Paternalism

The American people must decide whether private enterprise or government shall rebuild the world after the war, and business men must seize every opportunity to prove that American industry is entitled to the faith of the American people, a Syracuse industrialist told the Atlantic States Shippers Advisory Board.

Speaking on April 14 at the 61st meeting of the Board, Cloud Wampler, President of the Carrier Corporation, commended the cooperation of railroads and shippers in meeting the rail car shortage, and said that a similar candor on the part of labor and management would solve a large proportion of the country's labor problems. Absenteeism would decline sharply, he said, if shipping losses were disclosed without revealing military secrets.

Cloud Wampler

"After we have won the war abroad we shall have a battle at home to win, if we are to recapture and preserve the basic structure of our American system. . . . We can do our job most effectively by being exactly what we have proved ourselves to be during 90% of the past 150 years—a people independent, confident and ambitious, and not a people that looks to a paternalistic government to coddle us and solve all our problems."

All the average American wants is a good chance, he said, and a good chance is incompatible with playing it safe. Opportunity and security do not thrive on each other.

* * *

The third thought that is in my mind and heart with respect to sheer honesty is one not easy to deal with. In fact, a statement of the case is rather touchy business, especially during war time. But I am going to take a whirl at it just the same.

Here is a great truth that must be driven home again and again: After we have won the war abroad we will have a battle at home to win if we are to recapture and preserve the basic structure of our American system.

The checks and balances provided by our Constitution with its division of Federal power among the executive, the legislative and

(Continued on page 1493)

Hanes Committee Report Cites Continued Loss Of Trade By New York City

Gravity of Economic Problems Facing City Underscored; Corrective Steps Held Imperative

Joint action by the municipal government and the State of New York, coupled with active cooperation of the city's ablest leaders in industry, commerce and labor, is urgently required to arrest the continued economic decline of the City of New York and to develop a program for encouraging the future expansion of the city's economic life, it was stated in the report of the Hanes Committee on Employment in the city, which was made public by Governor Thomas E. Dewey at Albany on April 11. The committee was appointed by Governor Dewey shortly after his election last November to study business and employment opportunities in New York State, particularly in New York City. Its members included John W. Hanes, former Undersecretary of the Treasury, Chairman; David I. Dubinsky, President of the International Ladies' Garment Workers' Union; Delos Walker, Vice-President of R. H. Macy & Co., Inc., New York, and Elliott V. Bell, New York State Superintendent of Banks.

Gov. Thos. E. Dewey

In a covering letter to Gover-

(Continued on page 1492)

Braniff Airways Offers Attractive Possibilities

Braniff Airways, Inc. offers attractive possibilities at the present time and for the post-war period according to an interesting circular just issued by Boettcher and Company, 828 Seventeenth Street, Denver, Colo. Copies of this circular may be had upon request from the firm's Denver office or from their New York office at 52 Wall Street.

Fed. Machine & Welder Situation of Interest

Federal Machine & Welder Co. offers attractive possibilities, according to Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange. An interesting basic report upon the company may be had from Reynolds & Co. upon request.

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Tax Data May Be Had From STANY Com.

The new ruling obtained by the Tax Committee of the Security Traders Association of New York gave out-of-town firms the advantage of shipping drafts to New York without the necessity of affixing the New York State Tax stamps unless specified to do so at the time the transaction takes place. This supplements the article appearing in the "Chronicle" of April 15.

Copies of the rule from the New York State Tax Department may be obtained from the STANY Tax Committee, members of which are:

P. Fred Fox, P. F. Fox & Co., Chairman; John Laver, Edward Purcell & Co.; Frank Mackessy, Abbott, Proctor & Paine; Fred Preller, Eastman, Dillon & Co.; Willis Summers, Hoit, Rose & Troster.

Interesting Situations

American Business Credit "A" and Quaker City Cold Storage Co. 5s of 1953, offer interesting possibilities at the present time, according to memoranda just issued by Hill, Thompson & Co., 120 Broadway, New York City. Copies of these memoranda may be had upon request from Hill, Thompson & Co.

Lazard in New Quarters

Lazard Freres & Co., members of the New York Stock Exchange, announce the removel of their offices from 120 Broadway to 44 Wall Street, New York City. The firm's new telephone number is Hanover 2-1200.

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REAL ESTATE SECURITIES

RUSSEK'S FIFTH AVENUE BUILDING

Earns 7.32% On Bonds

More Than Two Times Fixed Interest For 1942

An increase in net sales of well known store of Russek's has had a corresponding effect on the earnings of the 390 Fifth Avenue Corporation, a company 100% owned by Russek's, which leases the property to the parent corporation on minimum terms to cover all expenses including 3½% fixed interest on $1,287,500 First Mortgage Leasehold Bonds of 1951. The lease calling for rent to be paid the subsidiary based on 5% of its net sales provided net income sufficient to cover fixed interest more than twice.

The issue was reorganized as of July 1, 1936 and the bonds are secured by a first mortgage on the leasehold estate, extending about 95 feet on Fifth Avenue and 166 feet on West 36th Street, comprising about 16,000 square feet, located at the Southwest corner of 36th Street and Fifth Avenue, New York City, together with two contiguous buildings, eight stories high, erected thereon.

The plan of reorganization provided for certain alterations to be made for which Russek's agreed to advance the necessary funds, and for Russek's to make further advances to cover reorganization costs. The sum of $74,675.11 was advanced for construction and $52,187.00 for reorganization expenses. Repayments by 390 Fifth Avenue Corporation are limited to $60,000 in any one year and can be made only from any net earnings after payment of operating expenses, ground rent and fixed interest. After repayment of these advances, net earnings are to be applied to the purchase and retirement of bonds.

The entire property is leased to Russek's until Aug. 1, 1951 (one month after the maturity of the bonds) on the basis of 5% of its net sales, made in this property, the minimum rental, however, to be an amount sufficient for 390 all fixed charges including ground rent, real estate taxes, operating expenses, and fixed interest on the bonds. Through Dec. 31, 1942, Russek's have paid net $147,630.89 rent in addition to that based on 5% of net sales, having recovered $49,260.64 from the 1942 net earnings of the subsidiary, as rent based on 5% of net sales of $5,990,129.10, provided such an excess above fixed charges.

On the basis of this lease, the figures showing the additional rent paid by Russek's as a minimum to meet fixed charges of the subsidiary are interesting in that they reflect the uptrend of business done by the store in this location.

For Year	Approximate additional rent
1938	$72,765
1939	68,279
1940	49,025
1941	6,823

Total rent on the minimum basis paid for 1941 amounted to $234,073.35, the sum of $227,249.89 being based on the 5% of net sales. For 1942 sales at 5% called for payment of $299,506.45, or $49,260.64 more than fixed charges, including bond interest, of the subsidiary. A continuing uptrend of sales is noted from the comparison of January, 1943 sales of $925,775.75 with $701,630.68 for January, 1942.

Schram Will Visit NYSE Firms In West

Emil Schram, President of the New York Stock Exchange, will leave on Sunday, (April 25) to visit member firms of the Exchange in Chicago, San Francisco, and Los Angeles. Returning, he will stop in Houston, New Orleans and Atlanta. This will be Mr. Schram's first visit to the West Coast since he became President of the Exchange on July 1, 1941.

In San Francisco, he will speak at a luncheon meeting on April 29, arranged in his honor by the Chamber of Commerce, and, also, at a luncheon meeting of the Commonwealth Club on April 30. In Los Angeles, Mr. Schram will address a luncheon meeting of the Town Hall on May 3.

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Now Kenneth B. Hill Co.

BOSTON, MASS.—As of April 15, 1943, the firm name of Alcock, Hill & Co., 80 Federal Street, Boston, Mass., became Kenneth B. Hill & Co., with no change in address or telephone.

Mr. Hill has been operating the firm as sole proprietor since Dec. 1, 1942, previous to which it was a partnership. While specializing in municipals, the firm also conducts a corporate business.

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RAILROAD SECURITIES

The action of Pere Marquette preferred stock in advancing about 100% from the low established earlier this year is surprising to most followers of railroad securities. Granted that the company is enjoying a very high rate of earnings at the present time, there has been no inclination on the part of the management to soft pedal the fact that holders of the preferred stock have little prospect of participating directly in these earnings. In fact, the management has gone out of its way on many occasions to stress the fact that dividends of any nature are remote.

Cash released from operations has been utilized for debt reduction, and this policy will be pursued. Even when, and if, dividends are resumed the prior preference stock will be the direct beneficiary. As of the end of last year accumulations on the prior preference stock amounted to $25.83 a share, a total of $2,890,960, and these are increasing at the rate of $560,000 a year. Even in 1942 net earnings of the company amounted to only $3,569,066. Obviously even if the company were to abandon its debt retirement program entirely it would be a couple of years before the preferred stock could hope for dividends unless the management turned its back completely on sound financial practices and distributed virtually its entire net to the stockholders. This hardly seems the background for a bullish attitude towards the stock.

Granted that the retirement of debt is fundamentally constructive for the long term position of all security holders, the nature of Pere Marquette's business and the past history of operations does not lead to confidence that even the debt retirement will place the preferred stock in the consistent dividend paying investment category after the war. Strong dependence on the automobile industry leads to highly cyclical earnings as evidenced by the fact that charges were earned in only five of the 10 years 1932-1940 when war distortions were not a factor. The volatile nature of operations was apparent in the early depression years when income available for charges dipped from $1,831,000 in 1931 to $682,000 in 1932 and then recovered to $2,071,000 in 1933. Again later in the decade income available for charges dropped from $5,002,000 in 1937 to $1,090,000 in 1938 and recovered to $3,636,000 in the following year. The fixed charges amount to slightly more than $3,000,000 a year.

In the past, the appeal of the preferred stock, in the face of periodic deficits, has been based on the strong recuperative powers of the road when business improves and the belief that these recovery periods would be utilized to pay off dividends that had accumulated in poor years. With this latter consideration now apparently eliminated the stock looses this questionable appeal. One other factor being pointed out is that even if the post-war years witnesses a sustained high level of railroad traffic in general there will presumably be an important lag in the operations of Pere Marquette. This is based on the theory that there will be wholesale shutdowns of plants in the territory during a period of reconversion to peace activities. A similar lag was noted as the plants went from peace production to war manufactures.

The stock has receded moderately from the year's high (selling at 35 at the time of this writing) but is still considered unattractive in relation to other rail securities, particularly reorganization bonds. As an example, the Chicago, Milwaukee, St. Paul & Pacific 5s, 1975 are available at a slightly lower price. For one thing, the St. Paul is undergoing a very severe reorganization and the securities that emerge therefrom will be free from even remote apprehension as to post-war solvency. Therefore, the new securities should give a higher evaluation to the war earnings.

Secondly, there will be some income coming in on the St. Paul 5s during the current phase. The amount will be small if kept to the interest due on new securities under the reorganization plan, but could be increased substantially if a distribution is made out of earnings on the new preferred or if some other means is found to siphon off a portion of the phenomenally swollen cash reserves for the direct benefit of present bond holders. Under the ICC plan the 5s, 1975 get a small participation in Income bonds and new common but the major portion of the claim ($717.50) is allocated preferred stock of good earning power and quality.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—56, low—14¾; April 21 price—55.

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Sacrifice Of Michigan Dealers Typical Of Whole Industry

Do Yeoman Service Selling War Bonds

Not all sacrifices are made by men in the armed forces.

It was last night that my wife mentioned a certain entertainer who was taking his troupe to Casablanca to put on shows for the soldiers—all at his own expense.

And I was duly impressed.

But then I started to think about what some men are doing right here in Detroit. Not attempting to detract in any way from what that entertainer was doing, I couldn't help but realize that he was gaining much in the way of public goodwill and a future following.

Not so, a group of men who are out peddling war bonds!

I'm referring specifically to the brokers and investment bankers who are deliberately switching their customers from stocks and bonds into war bonds.

Divert Commissions

It doesn't take any crystal ball to find out that dollars put into war bonds are not going to find their way into stocks or bonds for at least 10 years. And by the the same token, one doesn't have to be psychic to realize that in selling war bonds to their customers the investment bankers are diverting current and future commissions right out of their own pockets.

In case your memory is short, I might remind you, too, that although things have been pretty good the last six months or so, no industry has suffered quite so heavily as the brokerage business in the last five years.

But the comparatively few survivors put personal gain to one side and stepped out to do a fine selling job.

Real Sales Talk

Yesterday afternoon I stepped into the office of a partner in one brokerage firm. He was busy on the phone, and I couldn't help but overhear the conversation.

The man on the other end was interested in the purchase of several hundred shares of a well-known stock—for purely a long-term investment.

"But Frank," said the broker, "I think that U. S. war bonds fill your needs much better than that stock. Let me put you down for some?"

And then he went into a spirited selling talk—possibly not too well received on the other end by the prospective customer, who might feel he was being touted out of something. Finally the broker offered to buy his lunch if he'd stop down and talk it over further.

When the conversation was finished, that broker looked up kind of sheepishly and mumbled something about safety plus a good interest return.

Best in History

But the fact remains that he and hundreds of other members of the fraternity are doing the to find out that dollars put into finest and most unselfish selling job in history—in some cases even antagonizing good customers.

A broker's stock in trade is his customer list and every war bond he sells is just that many dollars less potential business for him in the future.

Agreed that it's right and proper to sell war bonds now—and agreed that if we don't win this war, the brokerage industry won't be worth the powder to blow it up; but I still rate them the most unselfish of war bond salesmen.

And I sincerely hope that when Mr. Morgenthau passes out his Treasury Department equivalent of the Purple Heart and the Distinguished Service Cross, he gives one to each and every investment broker who has worked on the war bond drive.

Ralph Simonds dropped into the office to give me a little additional data on the brokers who are doing such a grand job in the war bond drive. Simonds and McPherson Browning are the co-chairmen appointed by Walter S. McLucas, you'll recall.

Realizing that the banks are swamped with details regarding the issuance of bonds and in many cases working with short staffs, the committee in charge of the drive has appointed teams of brokers to assist the banks in contacting potential bond buyers.

Captains of the teams are as follows: Commonwealth Bank, Fred J. Shader and Charles Parcells; the Detroit Bank, W. C. Roney and H. L. Parker; Manufacturers National Bank, Cyrus King and Fred Bargmann; the National Bank of Detroit, J. J. McFawn and Fred W. Campbell, and Industrial National Bank, Ralph A. Crookston. Banks not mentioned are using their own personnel for the work.

In addition to these captains, 43 other members of the brokerage industry are active on the teams.

We are indebted to Ward Schultz, Financial Editor of the Detroit "Times," for making it possible for us to carry the foregoing from his pen.

Detroit Recommendations

Allman, Everham & Co., Penobscot Building, members of the Detroit Stock Exchange, have prepared up-to-date analyses of **Kellogg Co. Common Stock; Crowley, Milner Co. Common and Preferred; Howell Electric Motors Co.**, and **L. A. Darling Co.** These comprehensive reports may be had from the firm upon request.

First of Michigan Corp., Buhl Building, has compiled a recent bulletin on **Roseville, Michigan Refunding Bonds** maturing 1948 to 1967, priced to yield 2.65 to 3.25. Copies of this bulletin may be had from First of Michigan Corp. upon request.

Keane & Co., Penobscot Building, members of the Detroit Stock Exchange, have prepared up-to-date analyses of **Tecumseh Products Co. Common Stock** and **Modern Collet & Machine Co. Common.** Copies will be sent by the firm upon request.

Mercier, McDowell & Dolphyn, Buhl Building, members of the Detroit Stock Exchange, have late information on **National Stamping Co.** which will be given on request. This company has an outstanding peace-time record of earnings and dividends. In 1940 its engineers originated a method of making machine-gun clips and links out of stamping, which method had never been used before. It is now the largest manufacturer of this item in the country. The company has unusual peace-time prospects.

R. C. O'Donnell & Co., Penobscot Building, members of the Detroit Stock Exchange, have compiled late information on **King-Seeley Corp. Common; Leonard Refineries, Inc., Common; Federal Screw Works Common; Vinco Corp. Common** and **Graham-Paige Motors.** This data may be had from the firm upon request.

Charles A. Parcells & Co., Penobscot Building, members of the Detroit Stock Exchange, will send upon request copies of **"Business Booms & Depressions."** This is an analytical chart, in color, on price inflation covering more than a century. It is intended to be helpful in achieving a more accurate perspective of the so-called business cycle over a long period of time.

Wm. C. Roney & Co., Buhl Building, members of the Detroit Stock Exchange, have prepared latest analyses of **National Bank of Detroit; Michigan Steel Castings Co. Common Stock; National Electric Welding Machines Co. Common; United Drill & Tool Co. Class A.** Copies will be sent by the firm upon request.

Sound Simple Post War Plans Asked By C. F. Kettering, Detroit Motor Executive

Charles F. Kettering, Vice-President of General Motors Corp., as a member of the Committee for Economic Development, spoke on April 16 at a dinner at Indianapolis, Indiana, sponsored by the Indianapolis Chamber of Commerce and the Indianapolis Sales Executives' Council. Mr. Kettering said that any post-war plan based on the assumption that the war "will change human nature" is doomed to failure, said United Press advices from Indianapolis on April 17, which added:

Charles F. Kettering

"The human race has had wars before and human nature did not change," Mr. Kettering said. He urged that plans be "sound and simple."

One of the major problems after the war," he said, would be how to return business rapidly to competitive operations.

"The big thing is to let business keep on being competitive," Mr. Kettering said. "Nobody is going to a ball game if you don't keep score. Profit-making is just keeping score."

Detroit Traders Now 11 In Armed Services

DETROIT, MICH.—President H. Russell Hastings announces that the following members of the Securities Traders' Association of Detroit and Michigan are in the Armed Forces:

Pvt. Harry B. Buckle, Allman, Everham & Co.

Major Thomas S. Clayton, Clayton & Company.

Major Fred O. Guider, Keane & Company.

Lt. Col. K. H. Owens.

2nd Lt. Herbert J. Schollenberger, Jr., Campbell, McCarty & Co.

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Looking Ahead!

(Continued from first page)

Helping Win the War"—"Industry Must Help Build a Peace-Time World."

It would be difficult to epitomize the dynamic part the corporations of America are playing in the world today and can play in "winning the peace," if given a full opportunity to do so, than does the copy used in this ad.

We hope that the vision being displayed by Mr. Stanley and the management of The International Nickel Company will pervade the peace and post-war planning conferences.

Sees Bright Future For Television

(Continued from page 1474)

will form the nucleus for immediate post-war television broadcasting. These stations probably will start branching out with full-scale programs shortly after the war ends, it was explained.

Before the war, a sizable portion of picture tubes, the most expensive part of television sets, were imported from Holland because they could be bought by U. S. manufacturers cheaper than they could be built. But the war has changed that, Dr. Baker explained, and when peace comes U. S. manufacturers will have tremendous capacities to make these tubes in America. Large-scale production and other developments will drastically reduce the pre-war price of these tubes, which will be among the elements that will bring about reasonably priced television sets, he said.

Dr. Baker pointed out that General Electric has had a relay station in operation for over three years. Located in the Helderberg Mountains outside Albany, N. Y., the station picks up programs from NBC television station in N. Y. City and relays them to the Albany - Schenectady - Troy area through General Electric's WRGB transmitter. This is the nation's pioneer television network, he pointed out, being in service since January 12, 1940.

United Public Utilities Preferreds Attractive

The $3 and $2.75 convertible cumulative preferred stocks of United Public Utilities Corporation offer attractive possibilities according to an interesting discussion of the situation in the April, 1943 issue of the Preferred Stock Guide being distributed by G. A. Saxton & Co., Inc., 70 Pine Street, New York City. Copies of the Guide which also contains interesting comparative figures for preferred and common public utility stocks may be had from G. A. Saxton & Co. upon request.

Moore & Schley To Admit

Sherwood B. Davidge will be admitted to partnership in Moore & Schley, 100 Broadway, New York City, members of the New York Stock and Curb Exchanges, as of April 29. Mr. Davidge will become a member of the New York Stock Exchange, acquiring the membership of Arthur Myles, a partner in the firm.

Tomorrow's Markets Walter Whyte Says——

Market rally about over. Some more flurry possible but recent highs will prove a stumbling block.

By WALTER WHYTE

In concluding last week's column I said that rapid moves, up and down, would now be the order of the day. It didn't take any wizardry or unusual market acumen to arrive at such a conclusion. Markets are like pendulums. A wide swing in one direction is almost always followed by an equally wide swing in the other direction. A break of about ten points is usually compensated by a rally of anywhere from five to eight points. The initial recovery is seldom anything to sneeze at. Anybody who has the guts to buy them on the break stands a good chance of making money fast on the upswing. But now the market has already rallied back to about 134 after breaking from about 138 to approximately 130, and is what the farmers call "between hay and grass."

* * *

The question now comes up if the market has enough get-up-and-go in its system to permit it to start out on another up-move. If you will read last week's column you will see that I wrote ". . . . the market will just manage to avoid getting to those (April 5) highs—though some stocks may improve on them—and then turn down again." Nothing has happened in the past week to make me change my mind. If anything, the optimistic opinions stated in various market letters have convinced me that the end of the move has either already been seen or will be seen in the next few days.

* * *

A statement appearing in one brokerage house market letter to the effect that this is no time to sell stocks because the bulk of the investment opinion "is on the buying side" makes me laugh. Another says there are more "investors clamoring to buy stocks than there have been in some time." Good God, if that isn't the time to sell stocks, when everybody is supposed to be buying them, then I don't know when is!

* * *

Of course, some piece of news may come along and send them scooting up for a couple of more points. But where such news is to come from and what it's likely to be is a guess you can take your chances at as well as I. From the war fronts? Maybe. But the best piece of news that could come from there is that we have finally driven Rommel into the sea. And that, in the market sense, is no longer news. It has been anticipated too long. Action in the South Pacific? Perhaps. But we have already seen how the market acted on the news of the Coral Sea, Bismarck Sea and Guadalcanal. There is little reason to suppose any burst of renewed activity in that theatre of war will give the market the fillip it needs.

* * *

The only impetus it can get is from the home front and here confusion still reigns supreme.

* * *

The President's order of April 3 hasn't solved a thing. If anything, it has added to the confusion. If that wasn't enough there came McNutt's job-freezing order, intended to help stop inflation. Unfortunately both the President's order and McNutt's directive will do little to solve the problem facing the country. Prices have not been kept down under OPA Administrator Brown. He either won't do the job or can't. Whatever the reason the result is the same. Congress hasn't helped any either.

* * *

I realize that all the foregoing implies inflation and advancing stock markets. But that is oversimplifying the situation. The Administration, no matter what its shortcomings, has no intention of permitting runaway prices. You can bet if present methods do not stop prices from skyrocketing the Administration will adopt other tactics.

* * *

The stock market, acutely conscious of the possibilities, will not, in my opinion, move up in the face of coming events. The best it will do is mark time. It certainly will not go up. Therefore there is only one thing for stock market followers to do. Get out of all long positions and either go short of stocks or just saunter over to the sidelines and become a spectator. Let somebody else, the Johnny-come-latelies, carry the ball for the time being.

* * *

Readers now have only two stocks. The first is Superheater, bought at 13½, in which you were advised to take partial profits at about 20 and stop the rest at 15. Superheater is currently selling at about 19. I consider that close enough to the objective. So take your profits.

The other stock is U. S. Steel, bought at 50. Cancel the 58 objective and get out now. It's about 55 today (Tuesday, 1 p.m.).

* * *

Last week I suggested buying two additional stocks. As neither got to the purchasing level I now cancel the advice. There may be readers who still hold part of their original commitments in Goodyear, Bethlehem and International Harvester. If there are my advice is to forget the stops and take profits now.

* * *

J. J. L., Des Moines, Iowa. Sorry, I don't give opinions on stocks other than those that appear in the column.

* * *

More next Thursday.

—Walter Whyte

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

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Old Ben Coal Earnings Up; Continues To Retire Bonds

The published statement of Old Ben Coal Corporation for 1942 shows net income before bond interest, depreciation, depletion, and Federal taxes of $2,222,871. After deducting taxes, earnings were sufficient to permit payment on March 1, 1943, of all the remaining accumulated back interest on the Company's First Mortgage 6% bonds. During the year the Company purchased $289,000 par value of its bonds in partial anticipation of this year's sinking fund requirement. It must still use over $257,000 cash for bond purchase to complete sinking fund needs.

After all charges, the company reported a net profit of $873,041 equivalent to $5.59 per share of common stock compared with $385,797 or $2.47 per share in 1941.

N. Y. Banks & Trust Cos.

The New York Hanseatic Corporation, 120 Broadway, New York City, has prepared an interesting comparative table of the leading banks and trust companies of New York as of March 31, 1943, copies of which may be had from the firm upon request.

BOND SERIES
LOW-PRICED BOND SERIES
NATIONAL SECURITIES SERIES
INCOME SERIES
PREFERRED STOCK SERIES
LOW-PRICED COMMON STOCK SERIES
INTERNATIONAL SERIES

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120 Broadway, New York

Investment Trusts

APRIL NOTES

Required reading: Lord, Abbett's April issue of **Background**—it tells the story behind the figures, "money in circulation." . . . Manhattan Bond Fund has passed the $13,000,000 mark; not bad for a fund that was started from scratch less than five years ago! . . . We like North American Securities' friendly "airplane" blotter—and if you've ever wondered about the kind of investment job one can get done on the West Coast, look up the record of this sponsor's Commonwealth Shares. . . . It still gives us a chuckle to think of the surprise National Securities & Research Corp.'s forecaster of the intermediate trend must have received after writing on April 8, "we must take the position that lower prices will probably be seen before the major up-move is resumed." Next day the market dropped over four points on the President's "hold-the-line" order. . . . Now that the smoke has cleared, Distributors Group's story on second-grade rail bonds ought to be better than ever; rescinding the freight rate increase could save the railroads a lot more in wages than it will cost them in revenues—and with taxes where they are, just who is going to lose the greater part of the rate reduction, the railroads or Uncle Henry? . . . In answer to Keystone's question, "Which is best?" we'd take the blimp for a run down the coast on a peaceful, sunny day. Until that peaceful day, really has meaning, though, the B-17 will have to be our choice. . . . Note to dealers: Have you seen National Securities' sample letters and folder for prospects: "Buying Securities for What They Pay?" . . . January sales 100% above a year ago, February sales up 107%, March sales up 209%—reported by George Putnam Fund.

From Investment Company Literature

"Financial Absenteeism—Much has been written and said in recent weeks about absenteeism from war plants and factories.

"Because our industry rarely—fortunately — makes the front pages, little consideration is given to the need for consistent, thoughtful service which follows through for the investor in these times when his problems are multiplied by war.

"Manpower in the investment business has been sadly depleted. Hardly an organization in the financial fraternity has not given essential men to the armed forces. In Ohio registrations of distributors show that, compared to 1937, less than 40% of investment men remain. In Massachusetts some 50% are carrying on.

"So, there is financial 'absenteeism' too, but for constructive reasons. Unfortunately, it cannot be alleviated for the duration.

"Those of us who are left owe the country's millions of investors continuing loyalty in the finding and dissemination of facts which will help them to sound conclusions regarding the securities they own; of opinions which will enable them to balance war investments against those of peace and to determine a road—a middle road, perhaps—which will make their investments safe and their income sufficient to meet the dollar's smaller purchasing power."—From Hugh W. Long & Co.'s **New York Letter.**

* * *

"Cycle—On March 27, 1943, the offering price of Dividend Shares, Inc. (computed on the basis of market value of net assets at the close on March 26, 1943) was $1.29 per share, an advance of 45% in the 11 months since April 28, 1942. This is the first time Dividend Shares were offered at $1.29 since March 27, 1940—exactly three years ago!

"The Dow-Jones Industrial stock average closed at 133.96 on March 26, 1943, which was 11.9 points, or 8.15% **lower** than on March 26, 1940!

"The dividends paid by Dividend Shares, Inc., in that three-year period (about 20% of which were derived from net securities

(Continued on page 1480)

Investing Company Shares

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Connecticut Brevities

During the past few weeks, the State of Connecticut has been occupied with preparations for, and prosecution of, the drive for the United States Treasury Second War Loan.

On the evening of April 12, at the Bushnell Memorial Hall, the well-known radio program, "Information Please," was presented with Wendell Willkie as a guest performer. Admission tickets were given to purchasers of bonds, and the audience, buying bonds in denominations of $50 to $5,000 paid a total of $2,617,150 as its price of admission. In addition to this, insurance companies and banks purchased 150 admission tickets by subscribing to $200,850,000 in bonds.

Connecticut's financial and institutional personnel is giving the better part of its time, these days, to the Second War Loan, and everything else seems to be relegated to second place.

* * *

There is a general absence of borrowing on the part of Connecticut municipalities these days. On March 18th the City of New London offered $200,000 1¼'s which went at 100.199. Bidding was close, the second being 100.183. Many towns, in line with the State, find themselves with comfortable surpluses on hand, indicating a good record of tax collections.

* * *

The annual reports of Connecticut industrial companies, presented during the past few weeks, reveal some interesting facts regarding conversion of plants to war work. In the majority of cases, very little change has been required to place such companions on a war basis, since the war emergency merely means that most of them will continue their usual lines of manufacture at an accelerated pace. However, for a few companies a drastic change has been necessary. Take, for instance, **Landers, Frary & Clark,** in New Britain. In normal times, this company manufactures the well-known "Universal" line of household electric appliances such as washing machines, electric ranges, vacuum cleaners, coffee percolators, toasters, etc.

When the Government stopped the manufacture of electrical appliances, and drastically curtailed the manufacture of non-electrical merchandise, this company's regular business was brought to a standstill. Its plants were converted — a task which required several months—to the manufacture of gun-mounts, fuses, first aid kits and many other wartime necessities.

Because of the delays caused by the conversion, the company's volume for 1942 suffered somewhat, but at the present time it is considerably better than in its best years of commercial business, with less than 7% of this volume made up of items of normal manufacture.

* * *

The new Southington plant of the **Pratt & Whitney Division** of the **United Aircraft Corporation** has just commenced operating. This is the fifth local plant set up by Pratt & Whitney, four of them being in Connecticut and one in Massachusetts.

* * *

The **Automobile Insurance Company** marked its 30th anniversary on April 19th. Starting with paid in capital of $300,000 and like amount of surplus, today it is capitalized at $5,000,000 and has total assets of over $32,000,000.

* * *

The **United Gas Improvement Corporation** has petitioned the Securities and Exchange Commission for permission to sell its majority holdings in the **Connecticut Railway and Lighting Company** to Charles U. Bay of Bridgeport. This company operates a bus service from Stamford through Norwalk, Bridgeport, Derby, Waterbury, and New Britain. It also owns electric and gas properties which are leased to Connecticut Light and Power Company.

* * *

Recent annual reports indicate the following results for some Connecticut manufacturing companies for the year 1942:

American Chain & Cable reports earnings of $4,005,184, equal to $3.76 per share; **Ballard Co.,** $2.381,279 or $8.63 per share; **"Hartford Times,"** $2,124,804, equal to $2.15 per share; **Plume & Atwood,** $162,319 or $3.01 per share; **Scovill Manufacturing Company,** $3,166,987 or $3.02 per share.

Robt. Volkening To Be Burton Cluett Partner

Robert Volkening will be admitted to partnership in Burton, Cluett & Dana, 120 Broadway, New York City, members of the New York Stock Exchange. Mr. Volkening has been associated with the firm for some time in charge of the statistical department.

Connecticut Securities
Primary Markets
Statistical Information

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Disney To Be Partner In Abbott, Proctor Co.

W. Barrett Disney will become a partner in Abbott, Proctor & Paine, 14 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, as of May 1. Mr. Disney has been with the firm for some time as associate manager of the Richmond, Va. office, 911 East Main Street.

Present Partners In Hoit, Rose & Troster To Form Troster, Currie & Summers

H. S. Hoit and T. C. Brown To Do Business As Hoit, Rose & Troster

Present active partners of the firm of Hoit, Rose & Troster, 74 Trinity Place, New York City—James Currie, Jr., Willis M. Summers and Louis P. Singer, who have conducted the business since the withdrawal of Howard S. Hoit, on and after April 26—will do business as Troster, Currie & Summers.

Howard S. Hoit will do business under the firm name of Hoit, Rose & Troster, in partnership with Thomas C. Brown, as of the same date. Mr. Hoit under the agreement made when he retired from Hoit, Rose & Troster, retained the privilege to use that firm name "together with any and all goodwill and business value attached to same" as his "sole and exclusive property."

Oliver J. Troster, who was a member of Hoit, Rose & Troster when this firm style was established, and who is now on active service as a lieutenant colonel in the Army, will be a partner and plans to take an active part in the affairs of Troster, Currie & Summers at the conclusion of the war. He is a former president of the New York Security Dealers Association, serving in that office for several years, and is a former member of the 13th District Committee of the National Association of Securities Dealers. James Currie, Jr. is at present a member of the Board of Governors of the New York Security Dealers Association, the Uniform Practice Committee of the 13th Regional District of the N. A. S. D., and the Bond Club of New Jersey. Willis M. Summers was President of the National Security Traders Association in 1938-39, and one of the organizers of The Security Traders Association of New York and is at present a member of the Board of Directors. Louis Singer, who became associated with the trading department of the firm in 1928 became a partner in 1937.

York Corrugating Stock Offering About May 1

At the present time there is in registration an issue of 50,000 shares of common stock (par $1) of York Corrugating Co. Although it is expected that the registration statement will become effective about April 20, out of deference to the War Bond Drive, the public offering will not come along until about May 1, 1943. Floyd D. Cerf Co., of Chicago, the underwriters, will offer the issue at $6.50 per share.

York Corrugating Co. has been in continuous operation since 1902, or 41 years old. The company, while presently engaged in war work to the extent of 95% of its manufacturing facilities, is by no means a War Baby. What is being manufactured by the company today is almost identical with what it made in peace times and is in the main doing business with its peacetime customers who are engaged in war work. The company is one of those fortunate businesses that could without delay and without the expenditure of great sums of money convert its facilities from peacetime operations to wartime operations, and conversely, will be able to do likewise from wartime operations to peacetime production.

The company has no funded debt, no bank loans, no Government financing. As of Dec. 31, 1942, current assets were $1,597,536 and current liabilities $667,678. Cash and Government bonds amounted to $733,567, which was more than all liabilities, including reserves for taxes.

The business of York is allied with the automotive, building and air-conditioning industries. All three of these industries are accumulating a backlog of civilian peacetime demand that should tax its facilities to capacity. The post-war prospects for York are unusual, and with the reduction or elimination of excess profits taxes at the end of the war, the earnings of this company should exceed the current attractive figures.

Company's authorized capitalization consists solely of 300.000 shares of common stock, of which 190,906 shares are outstanding. The 50,000 shares to be offered are presently outstanding and none of the proceeds thereof will accrue to the company.

The common stock paid dividends in the past three years at the rate of 60¢ annually. Company's net sales for the year ended Dec. 31, 1942, were $3,510,858. After Federal income and excess profits taxes of $495,361 net profits were $197,121.

Investment Trusts

(Continued from page 1479)

profits) averaged 6.5 cents per annum, providing an average annual return of just over 5% on the offering price prevailing at the beginning and end of that period."—From Calvin Bullock's **Bulletin.**

* * *

"1775-1943—Some months ago, an investor friend of ours, disturbed by problems of social and economic change, and trying unhappily to peer into the future, expressed the wish that he had lived a hundred years or more ago. Our friend, who is a trustee, responsible for his family's investments as well as his own, seemed to feel that the investing of money was a relatively simple matter in this country a century ago, and that if he had lived then, he could have gone about his daily business with comparative peace of mind.

"Last week the Old Colony Trust Co. of Boston published a letter written by George Washington to his friend John West in 1775, which throws some light on this subject. Apparently a man of means and responsibility, even in Revolutionary days, could not go about the job of investing money with a light heart.

"Entirely aside from his military and political accomplishments, Washington was an influential and respected business man in his home State of Virginia. Starting out in life as a surveyor, only too glad to earn a doubloon a day, he grew steadily in wealth until he died, when his property, exclusive of that of his wife and the Mount Vernon estate, was valued at over $500,000. At his death he was one of the wealthiest Americans of his time, and it is said that a fortune was never more honestly acquired nor more thoroughly deserved.

"In matters of finance, however, Washington was faced with essentially the same problems that exist today in the successful investment of money and the management of property. According to one of his biographers, before the Revolution he had 'a good-sized holding of Bank of England stock, and an annuity in the funds, besides considerable property on bond, the larger part of which . . . was liquidated in depreciated paper money This paper money was for the most part put into United States securities, and eventually the 'at least £10,000 Virginia money' proved to be worth $6,246 in Government 6s. A great believer in the Potomac Canal Company, Washington invested £2,400 sterling in the stock, which produced no income, and in time showed a heavy shrinkage. Another and smaller loss was an investment in the James River Canal Co.'

"Washington's letter to John West, to which we referred above, indicates how the problems of management weighed on his mind. He wrote to West: 'What with my own business, my present ward's, my mother's, which is wholly in my hands, Colonel Colville's, Mrs. Savage's, Colonel Fairfax's, and the little assistance I have undertaken to give in the management of my brother Augustine's concerns (for I have absolutely refused to qualify as an executor) I have been kept constantly engaged in writing letters, settling accounts and negotiating one piece of business or another, by which means I have really been deprived of every kind of enjoyment.'

"If George Washington had lived in our times, he might well have relieved himself of at least some of the burdensome details of which he complained. He could have placed many of his real estate problems in the hands of a competent real estate agent. His collecting and accounting problems could well have been handled for him by a qualified bank acting as custodian, and with our modern facilities for investment management, he might have avoided some of his investment losses by checking his own judgment with that of other individuals whose full-time business is the management of money."—From MIT's **Brevits.**

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange announced the following weekly firm changes:

Privilege of William C. Beach to act as alternate on the floor of the Exchange for Bayard Dominick, II, of Dominick & Dominick, New York City, was withdrawn on April 15. Mr. Beach will act as alternate for Sheldon E. Prentice, partner in the same firm.

Robert DeF. Boomer retired from partnership in Auchincloss, Parker & Redpath, Washington, D. C., as of March 31.

H. Fraser Leith withdrew from partnership in R. Swinnerton & Co., New York City, as of Dec. 31, 1942; Henry C. Stochholm retired from the firm as of Mar. 31.

Clarence H. Clark of E. W. Clark & Co., Philadelphia, Pa., died on April 15.

The Individual In A Corporate World

(Continued from first page)

securities. I should like to see all the ideals of the Atlantic Charter realized, but I should also like to see America remain recognizable as America.

"One omission from the Atlantic Charter is significant as applied to the individual. I find no guarantee, no stated objective, to create or preserve freedom of enterprise. It seems likely that we Americans cannot have all our freedom, and all our security, at the same time. Perhaps we do want security more than freedom, but before we concede away freedom of enterprise let us be sure we can achieve security."

The Four Freedoms are essentially the New Deal written so large that the implications stagger the imagination, he continued. "Freedom from want and fear," he said, "are negative and passive. They are freedoms from things. They are not capable of realization through political guarantees. What is more, they are capable of realization only when a whole world is prosperous, when a whole world is at peace, when a whole world is unafraid. Such a world could be attempted only under the complete control of a world government highly centralized, very powerful and extremely bureaucratic and efficient."

The tendency towards centralization of power cannot be reversed, he continued. "It is the tendency of modern industry to increase its efficiency by centralization of direction," he commented. "It is the tendency of government to centralize for similar reasons. Labor centralizes its organization in order to be strong. What we are experiencing is a world-wide change in the sources and vehicles of power. In such a period the individual always loses some part of his hard-won rights and regains them, if at all, when the clash of old and new has quieted."

Dr. Valentine's speech, in full, follows:

Twenty years ago there was a great deal of talk about freedom and very little about security. Ten years ago there was much talk about security and very little about freedom. Today everyone talks about both at the same time.

From these contrasts come two reasonable conclusions. The first is that our thinking and our talk mirrors closely our immediate problems — with more celerity than perspective. The second is that in 1922 and 1932 we recognized a clear distinction between freedom and security, whereas today we have merged the two with little sense of difference.

Does this mean that our present thinking is more clear or more turgid? Are liberty and security parts of the same thing, or are they separate—possibly even incompatible? The question is an important one.

The President of the United States has given us his answer. Because we have not protested it, we have by implication accepted it. He talks about freedom and security in the same breath; apparently in his mind they are one and inseparable. In fact, he has emphasized security more heavily than freedom as the desired outcome of the war.

For example, in his message to Congress on Jan. 6, 1942, Mr. Roosevelt said:

"I know that I speak for the American people . . . when I say that this time we are determined not only to win the war but also to maintain the security of the peace which will follow . . . We are fighting today for **security**, for progress and for peace, not only for ourselves but for **all men**, not only for one generation but for all generations."

Those are noble sentiments and Mr. Roosevelt has already begun to implement them. But no one would deny that they take in a lot of territory. Are they attainable through victory?

Not only has Mr. Roosevelt merged freedom and security, but Mr. Churchill has supported him. They are on public record, in the Atlantic Charter, as to their noble total global intentions. Again they merge freedom and security, and actually call security freedom, for two of the Four Freedoms are wholly concerned with security—freedom from want and freedom from fear. They promise that these will be attained not only for the forty-eight states and the British Commonwealth of Nations but for everybody, everywhere. Of course they do not expect to realize them for everyone tomorrow, but the intention, and the pledge to ultimate realization for all people, are a clear-cut promise from the official spokesmen of Britain and America.

These are desirable objectives and we should all make great sacrifices toward their realization if it is clear that they are attainable. But it is not too soon to ask a few questions, or even to estimate the probabilities and the ultimate tangible and intangible costs. Among the costs to be estimated is the cost to Americans, in terms of their present freedoms.

After all, the freedom of the individual American is extremely important to him. It is also important to America, because America is a democracy, existing for the freedom and welfare of its individual citizens. When a citizen is multiplied by 130 million he is America and his freedom is democracy. The only alternative to starting with the individual is to start with the mass —to take the total population **en bloc**, and then divide them by 130 million. That gets nowhere for no one can think in terms of 130 million people all at once and still be thinking in terms of personal human problems. And what is more, that type of thinking simply is not democratic; it is totalitarian.

So we come back to the question whether, in the interests of the individual American, our President is right or wrong in regarding individual freedom and security as one and inseparable. Or he could be right in theory but questionable in practice, or vice versa. In order to suggest an opinion in that matter, I must ask you to bear with a little background.

Most of men's thinking, for hundreds of years, has centered about two questions: the relation of man to his God and the relation of man to his neighbors. Upon these questions religions have been founded, constitutions written, revolutions fought, and nations created and destroyed. Yet both problems remain unsolved in practice. Each generation has to attempt a new solution in terms of new conditions. Mr. Roosevelt is trying to lead America and the world to a long-term solution, based upon contemporary problems.

In our time, we seem more concerned about our relations to society than to God. This is partly because we are spiritually elementary or spiritually insolvent. It is also partly because we have optimistically accepted the thought that we are created in Gods' image, and therefore are content to substitute the image for the original. So the question in our time is translated to this: "What do I owe myself personally, and how much should I compromise my personal life and objectives to the interests of society as a whole?"

To deal with so large a problem we need a large map, even if it is also a crude one. This is not simply a controversy between conservatives and New Deal, or capitalism and socialism. There are far greater and more complicated forces at work. As much as we can, we should keep clear of contemporary shibboleths, of fighting controversial words, for they raise emotions and prejudices which confuse our thinking and distort the picture. Whatever new world we may want after the war cannot be attained, or even envisaged, except by the clearest and most prejudiced thinking.

Most of us approach the problem from a common background of inheritance, tradition and experience, for we are all Americans and as Americans have absorbed the whole tradition of individual freedom—the belief in the importance of the individual that is fundamental to the Christian religion, fundamental to the tradition of English civilization through the Magna Charta, the Long Parliament, Milton, and the reforms of 1832. We Americans took over and advanced that tradition, making it the basis of our own democracy. That tradition, as I understand it, is what we are fighting for, just as our ancestors fought for it, according to their interpretations, on Bunker Hill and on both sides of Bull Run.

Sir Thomas Browne expressed the tradition when he wrote "A man should be something that men are not." He meant that there was something in the individual that was precious and important and that could not be found in men in the mass. I happen to believe that, and I think you do. With it goes faith in man as a man—in his capacity to determine ultimately what is right, and his desire and ability to do it. We believe that general improvement depends upon individual improvement; and we believe that in order to improve a man needs spiritual, mental and economic elbow room. It has been our system to provide, within reason, that elbow room. And we hope to continue that system, for upon that rock have we built our democracy.

But we must recognize that

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Hartford, Connecticut December 31, 1942 Morgan B. Brainard, President

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[CONDENSED STATEMENTS]

(As filed with the State of New York)

93rd Annual Statement of The Ætna Life Insurance Company

ASSETS	LIABILITIES		
$847,864,568.93	$802,222,074.04	Capital	$15,000,000.00
		Surplus	30,642,494.89
		Surplus to policyholders	$45,642,494.89

Securities carried at $14,340,366.46 in above statement are deposited with public authorities, as required by law.

36th Annual Statement of The Ætna Casualty and Surety Company

ASSETS	LIABILITIES		
$89,064,288.47	$63,077,930.31	Capital	$3,000,000.00
		Surplus	22,986,358.16
		Surplus to policyholders	$25,986,358.16

Securities carried at $1,097,689.57 in above statement are deposited with public authorities, as required by law.

30th Annual Statement of The Automobile Insurance Company

ASSETS	LIABILITIES		
$32,778,446.28	$18,828,095.15	Capital	$5,000,000.00
		Surplus	8,950,351.13
		Surplus to policyholders	$13,950,351.13

Securities carried at $591,703.24 in above statement are deposited with public authorities, as required by law.

33rd Annual Statement of The Standard Fire Insurance Company

ASSETS	LIABILITIES		
$6,702,551.58	$3,523,942.51	Capital	$1,000,000.00
		Surplus	2,178,609.07
		Surplus to policyholders	$3,178,609.07

Securities carried at $244,570.30 in above statement are deposited with public authorities, as required by law.

Paid to or for policyholders since organization	*$2,159,562,876.46*
Total premium income—all companies—1942	*209,278,373.28*
Life insurance in force December 31, 1942	*5,230,527,654.00*
Increase in life insurance in force during 1942	*373,728,582.00*

The Ætna Life Affiliated Companies write practically every form of insurance and bonding protection

The Individual In A Corporate World

under that system we have not achieved or provided effective economic elbow room for **all** Americans. Our democracy has been far from one hundred per cent successful. New conditions have bred new limitations, unforeseen by the founding fathers, upon the economic elbow room to millions of Americans. The old guarantees in the Bill of Rights do not seem to have insured the necessary freedom to the miner, the share cropper or the negro. At least so it seems tothem! Hence the New Deal, which is one approach to the solution. Hence the Four Freedoms, which is essentially the New Deal writ large—so large that its implications stagger the imagination.

Why are not the old guarantees of the Bill of Rights adequate? They are inadequate because since they were written sources and forms of power have altered, reducing the economic elbow room of the individual.

The Bill of Rights was based upon an eighteenth century conception of the "natural rights of man." What was the key to man's independence, the guarantee of those natural rights? It was property, said John Locke and others. If a man could acquire a little property, through it he could gain economic independence, and if he had economic independence, then, with a few constitutional guarantees, he could speak and believe as he pleased. This was reasonable in the eighteenth century, for in eighteenth century America, at least, almost anyone who wanted to work could secure work, and, if thrifty, could accumulate property.

So the founding fathers were not concerned about economic freedom; they were satisfied to provide guarantees of religious, intellectual and political freedom.

But then what happened? England and America became rapidly industrialized. A whole new economic system developed and threw the political system completely off balance. The Bill of Rights did not seem adequate to men who could not find work and thus accumulate property and thus secure independence and individual freedom. It did not seem adequate to a miner who had no funds to escape from a bad job in West Virginia to a good one in Minnesota. What was the use of freedom of expression if he could not live to express himself? The "freedom to starve" became the cynical expression of this new ferment. "Equality", even "equality of opportunity" meant little to the hungry man for from his point of view it did not exist. What he wanted was economic security, for that was to him the foundation of freedom. Impotent alone, he could form unions to gain and apply collective power. And he did. Such a man will share our President's conclusion that freedom and security are inseparable.

Meanwhile the average middle-class American saw two large and frightening forms of power—both extra-political and neither provided in the Constitution—battling with one another and with constituted government for control of the nation. One was the relatively small group of powerful men who directed, or were thought to direct, industry. The other was the opposing force of new potent trade unions. The average citizen demanded that duly constituted government take steps to control both. The average citizen is still demanding their control, though since 1932 he has ceased to worry about the "sixty families" and has increased his worries about the irresponsible power of unions.

He has also increased his worries about the effect of a highly centralized and highly powerful government upon the freedom of the individual. Modern industry means centralized and powerful industry. Powerful industry requires powerful, centralized government to control it. Centralized industry therefore results in centralized government. Industry must centralize to be efficient; government must centralize to control industry. Between the two, freedom for the individual receives scant attention. No one in particular is to blame; these are major forces at play. Even Jefferson or Jackson or Lincoln, in the White House today, would have to recognize these forces and adjust his policies to those forces.

This is just what the New Deal has tried to do. You will judge the results for yourselves. At any rate, those who direct the New Deal are not tired or discouraged, and through the Atlantic Charter they are now prepared to extend the same philosophy, the same promises, and presumably the same performance, to the entire world.

There are vast differences between the old freedoms of the Bill of Rights and the new added freedoms of the Atlantic Charter. The traditional freedoms are positive and active: the right to speak, to believe, to worship. They are capable of realization through political guarantees. The new freedoms—freedom from want and fear—are negative and passive. They are freedoms **from** things, they are rights not to have unpleasant things happen to one, even not to fear that unpleasant things might happen. They are not capable of realization through political guarantees. What is more they are capable of realization only when a whole world is prosperous, when a whole world is at peace, when a whole world is unafraid. Such a world could be attempted only under the complete control of a world government highly centralized, very powerful and extremely bureaucratic and efficient—(if bureaucracy and efficiency are not mutually exclusive). Such a government would have to be far wiser, far more efficient, than any government has ever been. Then would it have a chance, and only a chance, to achieve the Utopia of global freedom from want and global freedom from fear.

One omission from the Atlantic Charter is significant as applied to the individual. I find no guarantee, no stated objective, to create or preserve freedom of enterprise. Perhaps it is recognized that in so highly efficient and pervasive a government freedom of enterprise, as we understand it, simply could not exist. It seems likely that we Americans cannot have all our freedom, and all our security, at the same time. Perhaps we **do** want security more than freedom. But before we concede away free-

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Simple and Sure

The greater the percentage of life insurance in a man's estate, the simpler the problem for his heirs.

Add to your estate through one of our low-premium policies.

The Prudential Insurance Company of America
Home Office, NEWARK, N. J.

Fraser Of American Locomotive Thanks Sub-Contractors Who Helped Build Tank-Killer

Duncan W. Fraser, President of the American Locomotive Company, in an address earlier this month at Schenectady to the audience of a city-wide celebration marking the anniversary of the completion of the M-7 Tank-Killer, thanked the sub-contractors and others throughout the country who helped in building the weapon. Mr. Fraser's speech, which was broadcast over a radio network, follows:

"We at American Locomotive Company are very proud of our part in creating the M-7. We are very proud of our men. We are very proud of this city. It is a great privilege for me to speak here on behalf of the company.

D. W. Fraser

"But I would like to take this opportunity to speak also for thousands of men and women—in garages, machine shops and small manufacturing plants up an down this historic valley and in towns and cities far from here. Without the more than 500 subcontractors, supplies and others who helped build the M-7, we could not have done our part of the job. Some 200 are with us today to share the pride of this occasion.

"We have here as fine an example of Democracy at work as anyone could wish. Let anyone who thinks well of totalitarian systems examine the magnificent cooperative job which eager free men are doing in this country—here in Schenectady and in many other places. Let anyone who feels that Big Business and Little Business are not working hand-in-glove for love of country study what is going on in America today.

"The majority of our subcontractors and suppliers are small shops—many of them with five to 15 workers and most of them with less than 200. One small company, with only six men, has been making one of the most important parts of the M-7. Another company with only seven men makes five separate parts for the tank-killer. They make the biggest and the smallest parts—the lightest and the heaviest.

"In 1940, American Locomotive had a job to do which, measured in dollars, added up to $38,000,000. That was what we shipped that year. In 1941 we had a much bigger job to do. That year we shipped ordnance, locomotives and other items having a value of $73,000,000. But in 1942 our job, measured in dollars, was $302,000,000. That is a very big job. The fact that we delivered that much is a tribute to our own men—some 22,000 of them—but credit is due also to our hundreds of subcontractors and suppliers. We could not have managed without both.

"Many a time the Production Department has run into a midnight problem and called a subcontractor out of his bed. Many a time that subcontractor or supplier has called his whole organization out at one o'clock in the morning and gone to work, to work through Sunday, in order that production lines might keep moving here in Schenectady.

"This widespread cooperation during wartime may have important post-war results. Hundreds of thousands of little business men—small shops and manufacturers—are getting a technical education. They are learning how to handle new metals. They are are learning new techniques. They are learning production methods, how to use new machines, how to read blueprints, and a hundred other manufacturing arts. This country will have after this war a vast new army of trained machinists and manufacturers—men whose experience was limited until expediters and engineers went out from companies like American Locomotive Company and helped them learn and put into practice the most modern methods of doing things.

"Many small machine shops have grown. I know of one two-man shop—a father and a son shop—which has now grown until it is doing a half a million dollars a year. It has learned not only manufacturing skills but management skills. And another thing: we have often obtained special machines for small shops—bought them and loaned them on a $1 a year basis. Many small manufacturers have learned how to use machines they were not familiar with before.

"Everyone recognizes what a tremendous educational process is going on in this country today. Our young men in the armed forces are learning things and learning them fast. But so are our men in the shops.

"I don't want to leave this subject with the idea that the learning process runs all one way. Our subcontractors and suppliers enjoy the fifth American freedom to improvise and invent and to do things in new ways. Yankee ingenuity—in our own shops and in the shops of our subcontractors—is a grand thing to watch. We're all learning.

"To Schenectady, to the people here who helped us all keep the secret of the H-7 from Rommel, to the workers of American Locomotive who are as fine a group of Americans as any man could ask to see, to the subcontractors and suppliers who worked with us I would like to express the deep thanks and appreciation of the American Locomotive Company. To the British, whose world-famous Eighth Army so gallantly and effectively used the tank-killer, no tribute from us is necessary. We can only say what General Montgomery has said to them 'Good Hunting!' "

Thirteen Indicted

A 13-man ring, accused of conspiracy to violate the National Stolen Property Act, in transporting and selling stolen stocks and bonds, has been indicted by a Federal Grand Jury following almost a year of investigation by the Federal Bureau of Investigation.

Members of the organization include Russell Safferson and Sigmund Saxe, members of the securities firm of Biel, Russell & Saxe, 60 Broad Street, New York City; Odie V. Fluker, an escaped murderer; Benjamin Franklin Clifton, Jr., who until his resignation two years ago was in charge of detectives in Daytona Beach, Fla.; Al J. Contento, alias Al Howard, racetrack figure and owner of the old Embassy Club in New York and Miami; Frank L. Miller and George A. Turley, attorneys; John Jay O'Brien, former Manager of the Fleetwood Hotel in Miami; Paul Samuel Martoccia, Florida gambler; Harold Leroy Butler, part owner of the Quin-Se-Willa Night Club in Jacksonville; Daniel Spencer Moran, a former stock and bond salesman; Joseph W. Grober, a promoter, and Matthew Reinhardt, a former dealer in over-the-counter securities.

All except the convict, who is still at large, have been held in high bail. They face penalties of 10 years' imprisonment and $10,000 fine each, if convicted.

"Crop Comments"

Thomson & McKinnon received the following comments from Henry C. Donovan from Peru, Illinois, under date of April 14:

"Talk of importing livestock feed from Canada and Australia brings to my mind the millions of tons of corn fodder that were to be seen in the past put up into corn shocks all through the corn belt, to be used for feed during the winter months, and it was considered as good and substantial livestock feed. But as the use of corn husking machines increased the corn fodder feed decreased and this before the claims of scarcity of farm hands. Thus during the past three seasons little if any corn shocks were seen in the fields from the roadside, the reason being that the disposal of a corn crop is far easier and more convenient by use of mechanical pickers than putting it into shock and hauling it into the barnyard all through the winter. So there should be no mystery concerning the heavier usage of grain on farms than some years ago, regardless of the fact that corn is being used as sparingly as possible on the farms at this time.

During the 1920s and 30s, when the harvester combines were being installed on the farms, the straw from small grain diminished in proportion to the increase of the combines, for the combine leaves the straw in the fields the same as the corn pickers leave the corn fodder. But in those years, horses started to diminish as the combines increased, causing less need for horsefeed, which about balanced the loss of stray feed occasioned by the use of the combines. However, there is nothing like that to take up the slack at this time. Years before the use of power machines when horses did the work the average Illinois farm of 160 acres was equipped with about 15 horses, colts and all, and between fifty and sixty acres of the farm were used, alone, to raise feed for the horses. Then when rid of their horses the farmers had so much extra land to raise grain for sale that for a time the markets were overcrowded with wheat and corn that had no place to go, but just now if we are to feed so many others in the world beside ourselves, we should consider every bushel of grain as something worthwhile. Had nearly an inch of snow here yesterday which melted almost as fast as it fell. Spring is about 2 weeks later in this vicinity than last year, but only about one week later than normal."

Bush To Direct Drive Of National War Fund

Prescott S. Bush, a partner in the private banking firm of Brown Brothers Harriman & Co. and the 1942 national campaign Chairman of the United Service Organizations, Inc., has been named National Campaign Chairman of the National War Fund, it is announced by Winthrop W. Aldrich, President of the Fund.

Under Mr. Bush's direction, the National War Fund will undertake to raise adequate funds to meet the reasonable requirements of all approved war-related appeals, except the American Red Cross, through coordinated campaigns to be held next fall. The Fund's goal has not yet been set.

Mr. Bush, a resident of Greenwich, Conn., was born in Columbus, Ohio, and was graduated from Yale in 1917. In the last war he saw service with the 158th Field Artillery Brigade during the Meuse-Argonne offensive and remained in Germany with the Army of Occupation until April, 1919.

He is a director of the Columbia Broadcasting Co., Vanadium Corp. of America, Pennsylvania Water and Power, United States Guarantee Co., Simmons Co. and Dresser Manufacturing Co.

The appointment of bankers as directors of the Fund was referred to in our issue of April 8, page 1291.

Railroad Bonds

The market for second-grade rails advanced further during the past fortnight and then sold off sharply, along with the stock market, on news of the President's anti-inflation proclamation and on news that the ICC had lowered rail rates. It is natural that such a decline should occur following the extraordinary advance, and in the light of this news. Nevertheless, it would seem that, fundamentally, such an anti-inflation program is, on balance, highly beneficial to railroad bonds and railroad credit, in spite of the rate reductions. An examination of the amount of railroad earnings involved in the elimination of last year's freight increase reveals that it is decidedly small by comparison with such offsets as the wage demands. Furthermore, in the whole inflation picture the railroads stand to lose much more through rising costs, not only in wages but in materials, supplies and other expenses, than they stand to lose by this rate reduction.

The railroads in the United are one of the principal beneficiaries of any measures taken to curb inflation. It is, of course, as yet entirely speculative as to just what will be done about rail wages, and therefore estimates of 1943 earnings are impossible. Tax matters, furthermore, are still to be heard from and may constitute a further drain. Nevertheless, continued railroad prosperity seems assured, whether or not the 1942 top froth is increased somewhat or decreased somewhat.

Again, as always, the most attractive investment or speculative investment media to be found among second-grade rails are those numerous items, many still very low in price, which are secure in the light of peacetime earnings and which require none of these special wartime profits to justify their price structure.—*From Homer & Co.'s Bond Bulletin of April 15.*

Our business is
KEEPING FAITH
with America

Some day — soon, we hope — the dawn of peace will burst forth upon us, in all its splendor of promise. When that day comes, life insurance will still have a job to do, a bigger and more important job than ever before.

Widowed mothers and fatherless children — hundreds of thousands of them — will be looking to life insurance to take care of them. They can look to it safely, knowing that it keeps every promise that it makes. How important keeping those promises becomes, when a family needs money most.

Keeping faith with all who have put their trust in it, is a hallowed tradition with life insurance. In years of war, as in times of peace, it keeps right on keeping faith with families all over America.

In 1861, when civil war ravaged our land, and our national sovereignty was strained to its last fibre — even then — American families received two and a half million dollars from their life insurance. A little more than thirty years later, when our re-United States warred against Spain, life insurance payments were a hundred and forty-six million dollars. In 1917, when we entered World War I, our life insurance companies distributed benefits of five hundred ninety million dollars. And in 1942, with the whole wide world at war, life insurance payments right here in our own U. S. A. were two billion, four hundred two million dollars. ★

Mr. America, Mrs. America, Junior America, you may well express your gratitude to the men and women who persuaded you to buy the life insurance that made these payments possible. Theirs has been a noble service. They still have much work to do, and they keep right on doing it, in war and in peace — *always.*

Massachusetts Mutual
LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS
BERTRAND J. PERRY, *President*

The Individual In A Corporate World

(Continued from page 1482)

dom of enterprise, let us be sure we can achieve security.

Let us first consider that security which is freedom from fear. The Atlantic Charter probably means only freedom from the fear of political dictatorship or external aggression. If that kind of freedom could be attained it might be worth almost any price —or so we feel at the moment as our thinking mirrors our present problems. But that is not the only kind of fear. We might come to fear other things just as much. There are all kinds of fear, and most of them cannot be removed by political means. Fear is a state of mind, a basic emotion in human psychology. Its cure is in the realm of psychology; political and economic measures may contribute to but cannot establish global peace of mind. A fearful person will find something to fear even if hunger and Hitler are purged from the world. I could still fear for my children's welfare, or my own health, or socialism in America and no world government or Atlantic Charter could help me. Freedom from fear, if limited to fear of war, might be attainable, but even then it might not be a bargain if the cost is too high.

Regarding freedom from want it is difficult to be optimistic. If the phrase means anything when considered globally, it means proposing to provide millions of people with something they do not now have, and which must therefore be created or given them by someone else. This is largely a material problem of world production, world organization, world distribution. It includes the age-old problem of poverty. Among the first immediate little problems Mr. Roosevelt and Mr. Churchill will have to face, to make good their promise, is that of preventing the annual floods in China which result in the yearly death or near-starvation of millions of Chinese. Another will be that of teaching 400 million inhabitants of India how to produce enough to feed and clothe themselves above a bare subsistence level, or else to produce enough to exchange for enough to satisfy even their modest wants. I question whether even Mr. Ickes would welcome that small part of the immediate job!

But what is probably meant (though not what is said) by the phrase "Freedom from want" is the right to work. But even a guarantee of the right to work would mean little in large areas of the world. Millions of tillers of the soil in Asia, for example, are already over-worked and exploited. To begin to give them any real economic freedom would require agricultural legislation and labor laws on a scale that would dwarf the greatest New Deal measures of this country. All that the most powerful world government could do would be to attempt to establish political and administrative conditions that might result in painfully slow but steady progress toward improved methods of production, improved standards of living, and the patient building up of capital resources. All this would have to be voluntarily accepted by hundreds of millions of people whose ideologies and values in life are far different from our own. The Four Freedoms are a Western conception, perhaps not acceptable, for centuries to come, to the East. We cannot erect a democratic world, or even a stable world, upon a set of ideas imposed upon reluctant peoples by force of arms, or by the pressure of financial aid, or even by supplies of food, goods and western education. No conceivable world federation could guarantee the global enforcement of the four freedoms.

My purpose in discussing the Four Freedoms is not to oppose them, but to analyze their implications upon the freedom of the individual in America. Assume the Four Freedoms, so ideal in theory, could be implemented; what, if anything, will they cost us in terms of our own freedom as we know it now?

First, they would cost every American so much in money—that is, in the income of his labor—that most of our present economic elbow room and nearly all of our private enterprise system would have to vanish. We know now that the duration will outlast the war, and that the taxes for the war alone will outlast the duration. Even if the national income could be brought to levels as yet undreamed of (or at least not mentioned) in Washington, it could not defray the cost of freeing the rest of the world from fear and want. And who but Americans would be able to defray the greater part of that cost? The raised standard of living for Asia alone could be realized only by a tremendous lowering of the American standard of living; a lowered standard of living means a decrease in economic freedom, and we have already learned that political freedom without economic freedom is only half a loaf.

But the challenge to American freedom is not only through high taxes and loss of private capital for individual enterprise. The realization of the Four Freedoms would demand a permanent efficiency of industrial production at least equal to present war-time levels. We know the extent to which normal American economic independence has had to be sacrificed to meet those levels. We regard present Government controls as endurable through the war but unendurable and undemocratic in normal times. There could be no relaxation of those controls, no diminution of centralized government power and its bureaucracies if the Four Freedoms were to be realized. The economic totalitarianism of war would become the economic totalitarianism of the global securities. If you think that individual freedom is now limited by war controls, you must recognize that individual freedom, and particularly freedom of enterprise, would suffer at least equally from similar long-term peace controls.

This is not the argument of an isolationist—a word which in any case means little since it is so loosely applied. I should like to see all the ideals of the Atlantic Charter realized, but I should also like to see America remain recognizable as America. If both can be done, so much the better. But you have set me the subject of the individual in a corporate world, and my answer is to speculate, not without pessimism, upon that subject. Speculation upon the Four Freedoms is one method of approach, but even without the Four Freedoms the future of individual enterprise, as we have understood it in the past, does not seem to me rosy. The question is not whether individualism can be expanded but how much of it can be retained. The tendency toward centralization of power cannot be reversed. It is the tendency of modern industry to increase its efficiency by centralization of direction, and usually of production. It is the tendency of government to centralize for similar reasons, and also to be strong enough to control industry. Labor centralizes its organization in order to be strong enough to influence both. These unifying forces throw their weight toward urbanization, large scale housing and feeding plans, centralized labor markets, and all of those ways of life which add to group efficiency but diminish the stature and freedom of the individual. In fairness we should see that conservatives and business men have contributed at least as much to these forces as liberals and farmers.

What we are experiencing is a world-wide change in the sources and vehicles of power. In such a period in any other year of period the individual always loses some part of his hard-won rights, and regains them, if at all, when the clash of old and new has quieted. For the balance of our lives, at least, private capitalism in America will play the role of self-starter and paid chauffeur, but government will give the general orders from the back seat! The American business man is the last person about whose four freedoms a global federation will show any concern.

There are even those who wonder whether the quest for security is good for the spirit of man. Their argument runs thus: "It has been the tradition of Americans to regard their Government as their servant, not their master. If, in times of stress, we come to depend upon government for our personal security; if we lean upon it as a staff, then that staff becomes indispensable and we will never again walk without it. Speaking of those who plan for security, Lord Bacon once wrote:

"They become in the end themselves sacrifices to the inconstancy of fortune, whose wings they sought in their self-wisdom to pinion."

Ben Franklin put it more colloquially: "They that give up liberty to obtain a little temporary safety deserve neither liberty nor safety."

Certainly the cost of security for all is restricted freedom for each. To make the world physically safe for the individual man is not necessarily to make the world tolerable to him. Security of body does not insure freedom of mind or spirit. A man or woman achieves dignity and happiness by the proper use of intelligence, conscience and ability, and adequate freedom to use those endowments may be more important to them than the attempt to eliminate want and fear. As John Stuart Mill wrote:

"A state which dwarfs its men, in order that they may be more docile instruments in its hands, even for beneficial purposes, will find that with small men no great thing can really be accomplished."

The Archbishop of Canterbury recently spoke of the unavoidable increase in central control, but warned against "the enslavement of citizens" that might result, unless we "foster liberty alongside authority." If society becomes nothing mor ethan a well-managed factory or public school then a man becomes nothing more than an employee or a pupil. Critics of big business have claimed that its heads are remote from the lives and wishes of their thousands of employees. What assurance is there that the heads of government will under similar circumstances be more aware and more sympathetic?

The welfare of democracy and the freedom of its citizens rests upon the welfare of John Jones the workman, Jim Smith the salesman, and Mary Robinson the school teacher. Their self-respect and their elbow room are what really count. They know that in the interests of a stable world and economic elbow room for others, they will have to give up some of the freedom they value. But they don't want to hand over their elbow room in return for a pig in a poke. They know these matters are complicated and they need time to think them through. John and Jim and Mary don't have much free time at present, and they don't pretend to more than average brains. It is their democracy, and its government must move slowly enough for them to keep up with it. No system will work without their voluntary support. They will stand for just so much external regulation, and then they will nullify laws as they nullified Prohibition. They take their responsibilities seriously, for they believe with Mr. Justice Brandeis that "Democracy is a serious undertaking which substitutes self-restraint for external restraint." Without being able to say it quite clearly, John, Jim and Mary also know that freedom and responsibility are inseparable; that to be free one must be responsible, and that citizens who pass responsibility on to their government will have passed on the only coin which will buy their freedom. This makes them conservative about freedom, and as they watch other nations they understand what someone meant when he said "Democracy is the last refuge of the true conservative."

Because all the Johns and Jims and Marys are what they are, and as important as they are, it is essential that their government, in its concern for global freedom, move with moderation and cushion as best it can the blows of adjustment upon their personal lives.

John came home one night and read in the paper of the bill now pending in Congress which would establish permanent universal military training, after the war, for one year, for every boy of 18. John is just as patriotic as any Congressman, and just as anxious to win the war and win the peace. But he has two sons, and he knows how big and crucial is that particular year in the life of a young man of college age. He wonders if a year in the army, even admitting that it has certain advantages, is necessary for all young Americans after the war is over. Will it keep the boy from ever getting to college? John does some figuring with a pencil and wonders how America will need, in 1955, a potential army of some 10,000,000 trained soldiers, in addition to the 10,000,000 now in training. He wonders if now, when war emotions are high, is the best time to decide this matter wisely. He remembers that our forefathers feared a large standing army, and the reasons why they feared it. He recalls that his country survived some very difficult times without ever establishing universal peace-time compulsory military training. To set it up in war-time, for peace-time seems rather a drastic move. He wonders, a little cynically, who is really back of this bill, and why? He doesn't express his doubts for fear his friends will call him unpatriotic, but he isn't very happy about it. It doesn't seem to him to augur well for personal freedom under a centralized government. He thought he was alone in this reaction until he came on an old speech by John Sharp Williams, perhaps the best Senator Mississippi ever had, who said in Congress on March 28, 1918:

"A nation which lives in peace-times under universal military service is a nation of slaves to exactly that extent."

John never took any part in politics and wouldn't know how to begin, but he wonders why someone doesn't say something, or at least ask a few questions.

Meanwhile Jim, who occasionally does a bit of heavy reading, came on a recent book by Professor Zechariah Chaffee of the Harvard Law School. The professor informed Jim for the first time of the real meaning of a bill called the Alien Registration Act, passed in Congress and signed by the President to become the law of the land on June 28, 1940. Jim discovered that most of the bill had nothing to do with aliens, but a great deal to do with the rights of American citizens.

Professor Chaffee, who should know, said it "contains the most drastic restrictions on freedom of speech ever enacted in the United States during peace." So far as Jim could make out, he and all his friends could, under this bill, be fined $10,000 or imprisoned for 10 years, and in addition lose their citizenship for five years, if their libraries contained certain speeches by Thomas Jefferson or Abraham Lincoln, or even the Declaration of Independence, or if they advocated changing their own municipal government to a city manager plan. It appears that the Government authorities have said they do not intend to interpret the Act that way, but there is the Act for some other authority, if he wants to, to interpret and apply to the full limit of its meaning. Jim wonders what forces got that law through Congress and what the real motives were. Is such a bill necessary to deal with all the saboteurs Mr. Dies says he has scared up, or has someone else an undisclosed axe to grind? Jim wrote his Congressman, but he didn't seem to know either. So Jim is wondering whether we ought not to clear the decks for the Bill of Rights in America before we get to work on freedom from fear for everybody in the five other continents.

Perhaps we need to sacrifice our freedom of enterprise, as we have understood it, in the interests of national efficiency, world peace, and world organization. Certainly we ought to spread that economic freedom a little more widely among all Americans. John and Jim will gladly pay their taxes and fill out all their government questionnaires, now and later, if that is necessary to give either our negroes or Madame Chiang's brave countrymen a better break. But John and Jim and I would like to be a little more clear just where that will leave us, and leave American democracy as we understand it, and above all leave our children, as regards their freedom. If we have figured it out wrongly, we would like to know whether our government has figured it out rightly, all the way through, before it moves too fast. We think we have a right to know, too!

Suspended From Exchanges

The Securities and Exchange Commission has ordered that Robert DeForest Boomer, partner in Auchincloss, Parker & Redpath with headquarters in the firm's New York office at 52 Wall Street, be suspended for a period of six months from the New York Stock Exchange, New York Curb Exchange, Washington (D. C.) Stock Exchange, and the Board of Trade of the City of Chicago, national securities exchanges.

Mr. Boomer admitted, according to the Commission, that he had induced the legation "of a certain friendly foreign government," the name of which was withheld, to purchase bonds of the government it represented through Auchincloss, Parker & Redpath, and then confirmed the purchases to the legation at prices in excess of their cost to the firm plus regular Stock Exchange commission. He also admitted, the Commission declared, that he had made secret profits for his firm in connection with the transactions and that he failed to make or keep any record of the transactions.

The Securities and Exchange Commission stated that it wished "to make it clear that, on the record before us, no other partner of Auchincloss, Parker & Redpath was in any way implicated in the misconduct of Boomer." The Commission also stated that "subsequent to the submission by Boomer of the . . . consent, the Legation received from Auchincloss, Parker & Redpath, a sum of money which the Legation has accepted as restitution for its losses resulting to it from the activities" of Boomer.

Today the Army has a New Mule...

Industry is helping win the war...
industry must help build a peacetime world

Today, all industries must produce as never before—must speed the output of food, tanks, planes, guns, ships and other instruments of war—must conserve vital supplies—that we may win quickly a decisive victory.

Tomorrow, all industries must continue to produce—beating swords into plowshares—to prevent world-wide unemployment leading to ultimate economic collapse.

If the world is to prosper there must be the same cohesion among the United Nations during the transition period and thereafter as now exists during the world-wide conflict. Internal stability here and in other nations can be gained and maintained only by sustained industrial production and by interdependence.

The people of this country, in common with the people of other lands, will prosper materially and spiritually when this war is ended but only if plans world-wide in scope are formulated promptly for A JUST AND DURABLE PEACE.

THE INTERNATIONAL NICKEL COMPANY, INC.
Subsidiary of The International Nickel Company of Canada, Limited
New York, N.Y.

Tomorrow the Farmer will Harness It!

ADOLPH TREIDLER

Post-War Investment Opportunities

(Continued from first page)

The country will be confronted with an unsolved tax problem.

"If the conditions tending to support business, the great accumulated needs and the enormous volume of surplus savings, are more powerful than the retarding influences, maladjustments in the price structure and taxes, the level of production and employment will be high. Furthermore, a high level of business will help eliminate maladjustments in the price structure and help to solve the tax problem."

Looking beyond the post-war boom, Dr. Slichter sees the real problems, however, for "the catching-up demand for durable goods will not last indefinitely." When the country has built up these to meet the demand of the particular volume of income, "shall we have another 1929?" he asked. "The shift from a catching-up economy to a self-sustaining economy will be more difficult than the shift from a war to a civilian economy. In order to achieve this shift without a severe collapse, advance planning is necessary." A summary of Dr. Slichter's paper follows:

I

The shift from war production to civilian production will not be followed immediately by an economy which may be regarded as normal. A decade or more may be require before more or less normal relationships have established themselves.

Six principal respects in which the post-war economy will be highly abnormal will be:

1. There will be an enormous need for goods based upon deferred purchases. No estimates of these needs pretend to be very accurate. By the middle of 1943, however, the deferred demand for durable consumer goods will exceed $3,000,000,000. The deferred demand for housing will be in excess of $1,500,000,000. There are already large postponements of private maintenance, public works and public maintenance. All in all, the accumulated deferred demand by the middle of 1943 will be about $10,000,000,000. By the middle of next year it will be about $25,000,000,000. These estimates are very rough, but they are on the low side. For example, they take no account of the needs produced by extra wear and tear on equipment from two and three-shift operation and from hard usage and inadequate maintenance under war conditions.

2. There will be a substantial need for goods arising out of geographical shifts in population.

3. The country will have accumulated a backlog of investment opportunities because of technological progress during the war.

4. There will be an enormous potential demand for goods based upon the great accumulation of liquid assets brought about by the war. Indeed, the growth of liquidity among individuals is perhaps the most sensational economic development of the last two years. During 1942, gross savings by individuals were $30,600,000,000. Of this amount, $23,000,000,000 were in highly liquid form—cash, demand deposits, time deposits, war savings bonds, and the reduction of indebtedness. The accumulation of cash and demand deposits alone by individuals in 1942 was $10,600,000,000. In 1941 also, there were large increases in liquid savings. As the present time, individuals, apart from corporations, have accumulated well over $30,000,000,000 of savings in liquid form. They are savings which they intend sooner or later to convert into goods. By the end of the year the liquid savings of individuals are likely to exceed $50,000,000,000. Never in the country's history has there been a reserve against unemployment even approaching this in magnitude.

5. After the war the country will find itself with a price structure which will require many readjustments. This is partly because the war has greatly increased the demand for some commodities and not others, it has cut off the supply of some commodities and not others, and because government controls of prices of finished goods have been more effective than its controls of raw materials and wages. Between August, 1939, and December, 1942, wholesale prices of finished goods advanced 26%; raw materials, 58.5%, and the hourly earnings of factory workers, 43.1%.

6. The country will be confronted with an unsolved tax problem. The needs of the Federal Government after the war will be roughly two or three times its prewar needs—and the Government never succeeded in meeting by taxes more than two-thirds of its prewar needs. In the twenties, the entire budget of the Federal Government was less than half of corporate profits in a good year. Hence, it was possible for the Government to meet its needs without taking a very large part of the profits of successful ventures. After the war, the ordinary budget of the Federal Government will be three or four times as large as corporate profits in a good year. It will not be easy for the Federal Government to meet such large needs without taking a large part of the income of successful business enterprises.

II

If the conditions tending to support business (the great accumulated needs and the enormous volume of "surplus savings") are more powerful than the retarding influences (maladjustments in the price structure and taxes), the level of production and employment will be high. Furthermore, a high level of business will help eliminate maladjustments in the price structure and help to solve the tax problems. If employment after the war is approximately 55,000,000,000 out of a postwar working force of 57,000,000,000, the gross national product (at 1942 prices) will be about $155,000,000,000.

With the income created by gross national expenditures of approximately $155,000,000,000 a year there would be an enormous amount of "catching-up" to do. For example, the stocks of various durable goods which we choose to maintain are related to the level of income. At the incomes created by a gross expenditure of $155,000,000,000, the country would wish to have a stock of between 34,000,000 and 35,000,000 automobiles. This is over 5,000,000 more than we had in 1941 and about 11,000,000 more than we shall probably have when the war ends. If one allows for retirement of cars of 2,300,000 a year, an output of 5,000,000 cars a year for four years would be required to enable us to "catch up" in adjusting the supply of cars to the level of income. If production were 4,000,000 cars a year, about six years would be required.

The situation with respect to housing is similar. The increase of families alone will produce a demand for several million additional houses by 1945. Far more important will be the effect of higher incomes upon the quality of housing demanded. Expenditures on shelter seem to follow a more or less persistent pattern. Men spend on shelter about one-fifth of their incomes after taxes and savings, and this proportion helds as incomes rise and fall. In 1940, the outlay of non-farm families on shelter averaged approximately $27 a month. With incomes roughly 50% above 1940 there would be an enormous increase in the demand for housing of good quality—with a rental value well above the average of 1940. Estimates of this demand cannot claim precision, but it is probable that by 1945, with the gross national expenditure of $155,000,000, there will be a "catching-up" demand for four to five million dwelling units, representing a construction cost of $15,000,000,000 to $20,000,000,000. Shifts of population produced by the war will raise this demand. If one assumes normal needs of $2,00,000,000 a year as the minimum, four or five years of residential construction at the rate of $6,000,000,000 a year will be required for us to catch up.

Gross national expenditures of $155,000,000,000 would mean substantial increases in the demand for all kinds of consumer goods above the levels of 1940. The increase in the demand for specific articles would vary considerably because additions to income would not necessarily be spent in the same way as incomes were spent in 1940. The rise in the demand for various articles, however, would average about 50% above the levels of 1940. Expenditures on both food and clothing, for example, would be about 50% above 1940. The index of industrial production which would accompany gross national expenditures of $155,000,000,000 would be 180 to 185—compared to an average of 123 in 1940. For such a rate of production the plant and equipment of the country are far too small. This is indicated by the fact that an index of industrial production of 196 in December, 1942, was achieved only by the extensive use of second and third shifts and of overtime.

III

The "catching-up" demand for durable goods in plant will not last indefinitely. When the country has built up these to meet the demand of the particular volume of income, shall we have another 1929? The shift from a "catching-up" economy to a self-sustaining economy will be more difficult than the shift from a war to a civilian economy. In order to achieve this shift without a severe collapse, advance planning is necessary. The shift is likely to be accomplished more smoothly if it is spread over an extended period. It is also likely to be accomplished more smoothly if the level of consumption in relation to incomes does not become too abnormally high during the "catching-up" economy. In order to spread the "catching-up" economy over as many years as possible and to limit the abnormal rise of consumption in relation to incomes, the following steps are suggested:

1. Encourage the holding of war savings bonds until maturity.

2. Discourage individuals from rapidly spending their large accumulations of cash and demand deposits. To the extent that individuals convert cash or demand deposits into annuities or insurance, the problem of shift will be facilitated.

3. Encourage business enterprises to plow back a large proportion of their earnings rather than distribute them as dividends.

4. Tax less heavily income from risk taking.

When the critical period of transition from a "catching-up" economy to a self-sustaining economy occurs, it will be particularly important that the spirit of adventure in the community be high. It is fairly easy for the economy to put to work large quantities of investment seeking funds and to adjust itself to drops in the propensity to consume, provided the spirit of risk taking flourishes. The encouragement of risk taking will require new developments in public policy. During the last ten years, public policy has treated the risk taker pretty harshly. One might almost infer that the government did not wish anyone to attempt to make his living by giving jobs to others. No nation can become rich by discouraging risk taking. The nation which wishes a high standard of living must regard innovators, experimenters, and starters of enterprises as peculiarly useful citizens and must be willing to go out of its way to furnish them a congenial and hospitable environment. This can be done while at the same time protecting the right of workers to organize and giving workers the protection of an adequate system of social security. The country should not lose sight of the fact, however, that high levels of employment require that a substantial proportion of citizens seek to derive at least part of their incomes from giving jobs to others rather than from holding jobs.

Wholesale Price Movement And Cost Of Living Compared With Stock Market For War Years

The March number of the League of Nations "Monthly Bulletin of Statistics" which has just been published by the League of Nations Mission at Princeton, N. J., contains, in addition to the usual tables, two sets of graphs, one illustrating the movement of wholesale prices and cost of living, and the other the movement of the market value of industrial shares. Both cover the war years up to the end of 1942.

Wholesale prices and the cost of living have risen in all the 34 countries included in the diagram. In most countries the cost of living has risen less than wholesale prices. The magnitude of the increase in wholesale prices and the lag between these prices and the cost of living vary considerably from one country to another.

In the United States wholesale prices at the end of 1942 were 32% higher than in the first half of 1939 and cost of living 22% higher. Both had risen more than in Canada, although prices in Canada started to rise immediately after the outbreak of war while in the United States wholesale prices did not begin to rise till the latter part of 1940 and the cost of living till the second quarter of 1941. Wholesale prices in the Argentine, Peru and Chile rose during the period covered to much the same extent (80% to 90%), but the cost of living rose 80% in Chile, rather less than 40% in Peru and as little as 13% in the Argentine.

In the United Kingdom wholesale prices were practically unaltered during the last nine months of 1942 at a level some 65% above the January-June, 1939, average, and the cost of living showed little change since the beginning of 1941 at a level about 30% above that average.

In India wholesale prices towards the end of 1942 stood almost 130%, and the cost of living about 65%, above the pre-war level; more than half of these rises occurred after February, 1942, when the country was preparing for military operations. In Egypt, still closer to the war zone, wholesale prices were up over 100% and cost of living nearly 80% by July, 1942. But by far the greatest rise has been in China, where both series by the end of the third quarter of 1941 were 500% above the pre-war average.

In Australia and New Zealand wholesale prices and cost of living had risen about 40% and 20%, respectively, up to the end of 1942.

In Germany wholesale prices and cost of living have been firmly held down to about the same level, each showing at the end of 1942 an increase of less than 10% over the pre-war level. Elsewhere in Continental Europe wholesale prices have risen considerably; up to the closing months of 1942, by 90-100% in Switzerland, Denmark and Portugal, by about 80% in Norway and Sweden and by over 70% in Spain; up to July, 1942, by nearly 115% in Finland; up to April, 1942, by nearly 140% in Turkey. Corresponding increases in the cost of living were: nearly 100% in Turkey, 80% in Finland, almost 70% in Spain, about 55% in Denmark and Portugal and almost 50% in Norway and Sweden. In Yugoslavia the cost of living in July, 1942, was 230% over the pre-war level.

The market value of industrial shares at the end of 1942 was 25% below the pre-war level in Canada, 15% below in the U. S. A., 3% above that level in Australia, and somewhat higher in the United Kingdom. In these four countries the movement has been similar, reflecting but with unequal intensity the varying fortunes of the war, and in all of them the movement has been on the upward grade since the first or second quarter of 1942. In Japan the movement has been almost exactly the reverse of that in the United States.

In Mexico there has been a remarkable rise in the share values unaccompanied by any comparable rise in the price indices, amounting to nearly 300% by the end of 1942, whereas in Chile, where prices have risen considerably, share values, after wide fluctuations, dropped in the middle of 1942 to a point 7% below the pre-war level.

In Continental Europe stringent governmental measures have been adopted generally to check increases in the value of shares. Nevertheless, in Axis-dominated Europe inflationary tendencies, excessive liquidity and lack of confidence in the currency have forced up these share values far above the pre-war level. In the last month of 1942 share values exceeded that level by nearly 500% in France, by nearly 300% in Hungary, by 270% in Belgium, by over 100% in Finland and by over 80% in the Netherlands; in Denmark, however, the increase was at no time more than some 30%. In Germany share values had risen nearly 60% by the last quarter of 1941, but as a result of further restrictive orders have changed little since. No such increases occurred in neutral Sweden and Switzerland, the total increase up to December, 1942, being under 10% in both countries, although the Swedish index has been 18% over the pre-war average in the previous August.

The volume of note circulation, following the seasonal trend, fell off in many but not all countries between the end of December, 1942, and the end of January, 1943. The decline amounted in Czechoslovakia to 6.7% in Slovakia and 2% in the Bohemian and Moravian protectorate, in Colombia to 5.4%, in Sweden to 5.1%, in Turkey to 4.7%, in Switzerland and Ireland (up to 21.1) to 4.6%, in Denmark to 4.5%, in Germany and New Zealand to 2.9%, in Canada to 2.3%, in Finland to 1.8%, in the United Kingdom to 1.7%, in Roumania to 1.4%, in Cuba to 1.2% and in Venezuela to 0.5%. Increases were registered over the same period in India (4%), Australia (2.8% up to 18.1), Belgium (2.1%), Costa Rica (1.4%), France (1.3%), the Netherlands (0.8%), the United States (0.6%) and Hungary (0.5%).

PERE
MARQUETTE

PERE MARQUETTE RAILWAY COMPANY

SUMMARY OF 1942 OPERATIONS:

OPERATING REVENUES. Reflecting the expansion of freight and passenger traffic resulting from the war, operating revenues in 1942 amounted to $44,311,307, as compared with $39,048,003 in 1941, an increase of $5,263,304, or 13.5%, and were higher than in any year since 1929 when they totalled $48,468,439.

OPERATING EXPENSES. Operating expenses in 1942 amounting to $32,544,485, showed an increase over 1941 of 14.7%. The operating ratio, which means the proportion of revenues consumed by operating expenses, increased less than one per cent. Of the increase of $4,181,971 in 1942 over 1941, $1,381,014 was due to wage increases.

TAXES. Railway tax accruals in 1942 amounted to $4,819,071, an increase over 1941 of $1,415,682, or 41.6%, and an increase over 1929 of 62.7%. United States income tax and surtax increased $436,049, and Canadian income and excess profits taxes increased $928,517.

In 1942, taxes were the largest of any year in the history of the Company, having doubled in the last three years. Taxes consumed 10.87% of operating revenues in 1942, as against 8.71% in 1941, and 6.11% in 1929.

Tax accruals amounted to 135% of net income in 1942, as compared with 105% in 1941, and 40% in 1929.

NEW INDUSTRIES. During the year, eighty-five new industries were established on the Pere Marquette, for whose account 18,342 cars of freight were handled, producing revenue in 1942 of $1,349,811. It is estimated that in 1943 these new sources may account for 30,250 cars of freight and produce revenues of approximately $1,850,000.

Of these 85 new industries it is believed that 63 will continue to operate after the war is over.

FINANCIAL AND DIVIDEND POLICY. While net income for the year was $3,569,065, the directors, after full consideration, deemed it unwise to declare any dividends during 1942. There are immediate and specific reasons for this. But before considering them, it will be interesting to review twelve years of Pere Marquette operations:

TWELVE-YEAR RECORD OF RETURN

1931	0.79%	1937	2.74%
1932	0.20%	1938	0.53%
1933	1.07%	1939	2.07%
1934	1.64%	1940	2.48%
1935	3.04%	1941	3.54%
1936	3.45%	1942	3.64%

Twelve-year average........2.10%

While the 3.64% return for 1942 was the best in twelve years, it was considerably under 5.56%, the average return for all Class I railroads. And the average Pere Marquette return during this whole twelve-year period, 2.10%, must be compared with 2.44%, the average return for all Class I roads.

It may be well to recall that during this twelve-year period beginning with 1931, the last year in which dividends were paid on all classes of stock, the total net income of the railroad was $5,069,262. During these same years, the total of all dividends paid to all our stockholders was $5,061,778, which is almost equal to the entire net income for the period.

At the end of this twelve-year period, however, the outstanding debt was almost as large as at the beginning, the net reduction having been less than one million dollars; and in five of the twelve years the interest charges on debt were not fully earned. Deficits have been met and improvements to the property have been financed by short-term borrowings (since repaid) and out of depreciation and retirement charges to operating expenses. This situation has unfavorably affected the Company's credit. Even today, despite the improved earnings, the First Mortgage Bonds with high coupon rates are selling in the market at very substantial discounts. Unless the financial strength and credit rating of the railroad can be substantially improved during the next twelve years, the refunding or payment of some forty million dollars of First Mortgage Bonds coming due in 1956 will present a major problem.

REDUCTION OF DEBT. In October 1942, when it became evident that Pere Marquette earnings were on the upswing as a result of war traffic, the directors initiated a program of debt reduction to strengthen the financial position of the road by purchasing its First Mortgage Bonds at prevailing discounts. By the end of the year some two and one-quarter million dollars of these bonds had been retired, and in 1943, additional purchases have been made.

It is the present intention of the directors to pursue this policy of debt reduction as additional funds become available, to the end that the Company's credit will be strengthened, the refinancing of its bonds undertaken, and dividend payments resumed in due course.

SOURCES AND DISPOSITION OF INCOME

	1942	*1941*	*Increase Decrease*
Our income came from the following sources:			
Revenues from hauling freight other than coal and coke	$34,457,564.28	$30,909,018.47	$3,548,545.81–I
Revenues from hauling coal and coke	5,639,030.59	4,986,134.36	652,896.23–I
Revenues from hauling passengers	2,125,624.89	1,089,319.05	1,036,305.84–I
Other transportation revenues	2,089,087.74	2,063,531.40	25,556.34–I
Rent from equipment used by others, less amounts paid to others	43,372.08	580,296.74	623,668.82–I
Dividends from stocks owned	79,133.25	78,474.50	658.75–I
Other income from non-railroad operations	593,259.56	442,616.32	150,643.24–I
Total	$45,027,072.39	$38,988,797.36	$6,038,275.03–I
We disposed of our income as follows:			
Wages	$16,308,292.49	$14,384,367.16	$1,923,925.33–I
Materials, supplies, and fuel	6,844,531.26	6,731,155.56	113,375.70–I
Taxes, other than Federal and Canadian tax on income	2,356,280.42	2,305,164.29	51,116.13–I
Payments to contractors, associations, other companies, and individuals for services and expenses	3,254,962.72	2,929,800.58	325,162.14–I
Rentals and expenses paid for facilities used jointly with others, less amounts received from others	2,661,891.34	2,160,177.09	501,714.25–I
Interest on debt	3,218,669.68	3,228,512.50	9,842.82–D
Depreciation, amortization, and retirements	4,350,587.60	2,914,488.60	1,436,099.00–I
Total	$38,995,215.51	$34,653,665.78	$4,341,549.73–I
Net Income before Federal income and Canadian income and excess-profits taxes	$ 6,031,856.88	$ 4,335,131.58	$1,696,725.30–I
Federal income and Canadian income and excess-profits taxes	2,462,791.00	1,098,225.00	1,364,566.00–I
Net Income	$ 3,569,065.88	$ 3,236,906.58	$ 332,159.30–I
Disposition of Net Income was as follows:			
Appropriations for Sinking and Other Reserve Funds		1,250.00	1,250.00–D
Balance remaining for other corporate purposes	$ 3,569,065.88	$ 3,235,656.58	$ 333,409.30–I

The above are summary excerpts from our current Annual Report and are published only for the information of stockholders. Any stockholder failing to receive a copy of the Report will be furnished one on request to the Secretary, Terminal Tower, Cleveland, O.

What Are We Fighting For?

It is most desirable that this question be answered simply and honestly by those in a position to speak for the nation. We are fighting for survival, as are the British, but then what? We have been given the Atlantic Charter and the Four Freedoms, but to the average American they mean very little. They are too general, too nebulous. What are the goals for this country as a country?

Are we fighting for a perpetuation of economic planning and bureaucratic control which run in the face of the experience and wisdom of our ancestors? Are we fighting for a strong, virile future or one of sentimental social experimentation? Are we fighting for a further factionalization of the country or for a united nation? How seldom do people now think in terms of the nation, or pass laws for the country as a unit. Are we not rapidly becoming an aggregation of factions—the farm bloc, organized labor, the bureaucracy, the unemployables, and soon there may be the veterans of the present war who politically can present a formidable front. Are we fighting for equal rights of all men under law, for the rights of minorities, however small? Are we fighting for government by law or by executive edict? Are we fighting for a way of life in which the individual is free to find his own level in the economic scale and be compensated in proportion to his contribution, or for a system which attempts to emulate the beehive? In the last analysis only the people can answer these questions, but it is high time for their spokesmen to enunciate clear cut principles which are sound and simple and can serve as a compass in the trying days ahead.

If we are to remain true to our Anglo-Saxon traditions, these principles are already formulated for us and are to be found in the social and political literature of this country, England and France. They have been gleaned by bitter experience. If we are to be a free nation, a solvent nation, a vital, united people with a high degree of economic well-being, such principles might take a form and expression somewhat as follows.

I. There shall be the strictest economy in government.

A profligate government only leads to overpowering taxation, an uncertain currency, and ultimately to violent social change in which the rights of the individual are destroyed.

II. There shall be government by law which guarantees protection to the person and property of the individual and under which all men are equal.

Only under government by law can the person and property of the individual have protection. Without such protection, freedom is a fiction.

III. There shall be free markets throughout the nation for the goods, services and capital of the individual.

Factions, combinations in restraint of trade, blocs and all types of political pressure groups are instruments of national discord, whose sole aim is to gain artificial advantage at the expense of other citizens of the nation.

These principles guarantee no one against want. They guarantee something much more precious—the right to be free, the right for man to realize his capabilities, the right to be a man among men, to work without paying subsidy, not a creature of the State, a pawn of politicians. Just what are we fighting for? What is the goal of this country ten years hence? Let it be expressed sincerely in words we can understand, that really mean something definite.—*From a recent Market Letter put out by Van Alstyne, Noel & Co.*

War Contract Cancellation Policy Formulated In Advance Major Need: Conference Board

Asserting that cancellation of war contracts will again become a major national issue on Armistice Day, the Division of Industrial Economics of the National Industrial Conference Board suggests that "a fully integrated cancellation policy formulated in advance of the end of the war" would facilitate post-war readjustment.

Cancellation of war contracts by all Government agencies may aggregate from $25,000,000,000 to $60,000,000,000, or even more, depending upon assumptions which cannot be verified at this time, according to the Board. It points out that in the last war total cancellations of all Government agencies were the equivalent of 23% of total war expenditures through April, 1919 but whatever the actual scale of the aftermath of cancellations following the close of World War II, the disruptions and problems arising from curtailment and revocation of war work in process will necessarily be intensified as compared with World War I by the greater proportion of national resources devoted to the present conflict. The Board adds that the number of civilians engaged in war work is currently about two and a half times as great as in the last war; fully half of all industrial production and of the nation's gross national product is being channeled into the war effort as against a maximum of a fourth for World War I.

Upon conclusion of a study of the experience of World War I and of the existing situation as regards the much larger war contracts of World War II, the Board concludes that a cancellation policy carefully formulated in advance "would clarify the complex relationships developed during the war among Government, prime contractors, subcontractors, and basic material suppliers. The Board also has the following to say:

"Cancellation problems of World War I were complicated and prolonged by failure to prepare adequately for that eventuality during the war. At the time of the Armistice, the War Department had numerous informal contracts outstanding which were legally defective while many of the formal war contracts did not contain cancellation clauses. The standard clause was not adopted until the final six weeks of hostilities. Each of the Army's 31,000 claims, according to the late Secretary Baker, was a potential law suit.

"Over two-fifths of these claims remained unliquidated by June 30, 1919, while a tenth of them required two years or more of investigation and negotiation. When cancellation terms are left to post-war decision, it is inevitable that more time is absorbed on this feature than when the contract was originally drawn. The post-war environment involves a shift of relations between Government and private industry compared with their war relationship. War urgencies invest the Government with a commandeering authority overshadowing business arrangements. After an armistice the relationship is restored to a legal-economic basis, with a greater emphasis upon the relative bargaining power of each contracting party."

Controls Will Check Inflation But Cannot Halt The Spiral

Various recent anti-inflationary moves will check but not halt the inflation spiral according to the United Business Service.

The President's strong stand on prices will unquestionably stiffen the resistance of the War Labor Board to wage demands. Similarly, the cut in rail rates is expected to spike the demands for higher railroad wages, and at the same time help in the control of industrial goods prices by lowering transportation costs. The April war bond drive is aimed to take up enough purchasing power to ease the inflation pressure on both commodities and stocks.

But these efforts, or any others of a similar nature, will not stop permanently the inflationary spiral of higher prices, higher wages, rising costs of production, and still higher prices. Such legal limitations on the rise of wages and prices *do not touch the roots which nourish inflation.*

It is absolutely necessary for the Government to spend vast sums to maintain and equip our military forces, and to sustain our Allies. Total spending this year will be close to $100 billion. Of this amount, tax receipts will probably cover about 30%. About $70 billion must be borrowed. Probably not more than $40 billion of this will be taken up by private and institutional investors (other than banks). The rest must come from the banking system.

Member banks of the Federal Reserve System can subscribe to Government bonds by placing the price of the bond to the credit of the Treasury on their deposit books. They need only put up a reserve of 20% of the resulting increase in their deposits with the District Federal Reserve Bank (14% in the case of "country" banks). This raises total available buying power in the form of demand deposits subject to check by the amount of the bank's subscription less required reserve. Not all banks use this privilege, but the net result is to expand bank deposits by 70-80% of the amount of bonds banks buy. More than $20 billion will thus be added to the nation's effective money supply this year. This is a potent inflation force that cannot be nullified by legalistic restraints on wages and prices.

SEC Survey Of Return On Invested Capital

The Securities and Exchange Commission on April 11 made public another in the series of statistical reports of the "Survey of American Listed Corporations." This survey of Return on Invested Capital" is based on data taken from registration statements and annual reports filed with the Securities and Exchange Commission by corporations having securities registered on Dec. 31, 1941, under the Securities Exchange Act of 1934. From the advices made available by the SEC we also quote:

"Eight hundred and seventy-eight companies and their consolidated subsidiaries having invested capital of approximately $29,000,000,000 in 1941 are included in this survey which covers the years 1936-1941 inclusive. The companies classified in 59 manufacturing groups were selected because of their importance to the war effort.

"It is a survey of profits and invested capital and data are presented for each company and for combined industry groups. Some of the more important items shown in the report are invested capital; net profit before prior claims, interest and income taxes; provisions for income taxes; net profit after all charges; and the ratio of net profit before prior claims, interest and income taxes to invested capital; the ratio of net profit before income taxes to invested capital, and the ratio of net profit after all charges to invested capital.

"A combined summary for all 59 manufacturing groups is presented in the following table:

GRAND TOTAL (Dollar Figures in Millions)

	1936	1937	1938	1939	1940	1941
No. of registrants in each year	795	836	840	848	858	864
Invested capital	25,036	26,572	26,730	27,097	27,493	28,739
Net profit before prior claims, interest and income taxes	2,711	3,171	1,562	2,444	3,559	6,050
Prior claims and interest	208	223	210	210	201	199
Provision for income taxes	404	522	273	413	1,052	3,009
Net profit after all charges	2,099	2,426	1,080	1,821	2,306	2,842
Net profit before prior claims, interest and income taxes as a percent of invested capital	10.8	11.9	5.8	9.0	13.0	21.1
Net profit before income taxes as a percent of invested capital	10.0	11.1	5.1	8.3	12.2	20.4
Net profit after all charges as a percent of invested capital	8.4	9.1	4.0	6.7	8.4	9.9

"The combined data show that 'Net Profit before Prior Claims, Interest and Income Taxes as a percent of Invested Capital' was 10.8% in 1936, 11.9% in 1937, declined to 5.8% in 1938, and thereafter increased to 9.0% in 1939, 13.0% in 1940 and 21.1% in 1941. Following a similar pattern 'Net Profit before Income Taxes as a percent of Invested Capital' rose from 10.0% in 1936 to 11.1% in 1937, declined to 5.1% in 1938 and thereafter rose from 8.3 in 1939 to 12.2% in 1940 and 20.4% in 1941. 'Net Profit after All Charges as a percent of Invested Capital' rose from 8.4% in 1936 to 9.1% in 1937, declined to 4.0% in 1938, and then rose to 6.7% in 1939, 8.4% in 1940 and 9.9% in 1941."

The rates of return on invested capital for five of the largest industry groups in the study having assets of over $2,000,000,000 each in 1941 are summarized in the following table:

Oil Refining:	1936	1937	1938	1939	1940	1941
Net profit before prior claims, interest and income taxes as a percent of invested capital	8.11	10.19	5.85	5.91	7.09	10.48
Net profit before income taxes as a percent of invested capital	6.94	8.96	4.75	4.90	6.11	9.50
Net profit after all charges as a percent of invested capital	6.00	7.74	3.95	4.20	4.92	6.84
Steel Producers with Blast Furnace Facilities:						
Net profit before prior claims, interest and income taxes as a percent of invested capital	5.11	7.57	0.82	4.96	9.83	17.37
Net profit before income taxes as a percent of invested capital	4.25	6.74	(0.10)	4.01	8.81	16.66
Net profit after all charges as a percent of invested capital	3.52	5.30	(0.30)	3.22	6.49	7.01
Non-Ferrous Metals incl. Smelting and Refining:						
Net profit before prior claims, interest and income taxes as a percent of invested capital	9.21	13.33	7.19	10.48	13.54	17.67
Net profit before income taxes as a percent of invested capital	8.87	13.06	6.94	10.25	13.38	17.54
Net profit after all charges as a percent of invested capital	7.56	11.04	5.78	8.32	9.40	10.20
Chemicals:						
Net profit before prior claims, interest and income taxes as a percent of invested capital	16.17	15.55	8.85	14.30	18.56	25.96
Net profit before income taxes as a percent of invested capital	15.63	15.16	8.52	13.92	18.22	25.64
Net profit after all charges as a percent of invested capital	13.45	13.01	7.32	11.80	12.15	12.33
Automobiles:						
Net profit before prior claims, interest and income taxes as a percent of invested capital	30.35	23.91	9.92	19.84	27.20	39.76
Net profit before income taxes as a percent of invested capital	30.23	23.74	9.76	19.56	27.09	39.60
Net profit after all charges as a percent of invested capital	25.34	18.96	7.40	15.63	16.51	17.38

To Pay Further Div. On Jt. Stock Land Bank Bonds Of Portland, Ore.

George B. Guthrie, Receiver of the Oregon - Washington Joint Stock Land Bank of Portland (Ore.), issued the following announcement to all persons having claims against the bank represented by bond, coupon obligations or receiver's certificates:

"A further dividend designated as dividend number 6, in an amount equal to 10% of the outstanding principal of farm loan bonds issued by the Oregon-Washington Joint Stock Land Bank of Portland, Portland, Ore., and unmatured interest accrued thereon up to and including April 30, 1936, has been declared as of the close of business April 15, 1943.

"This dividend is being distributed out of the proceeds derived from the liquidation of pledged assets of the bank and is payable only to persons who have proved and filed claims against the bank upon such bonds and/or interest coupons representing said unmatured interest. Holders of interest coupons which matured prior to May 1, 1936, will not participate in this dividend as to such coupons inasmuch as such coupons are payable from a special trust fund on deposit with The United States National Bank of Portland, Ore.

"The dividend is payable to persons who, at the close of business on April 15, 1943, are registered holders of receiver's certificates as to the delivery of bonds and/or coupons to the receiver and of the making of proof of claim thereon, and to all other persons having claims against the bank which are based upon the aforesaid bond and/or coupon obligations if, as, and when such persons deliver their respective obligations to the receiver and make the required proof of claim relative thereto.

"As provided in the receiver's certificate, checks for the amount of such dividend will be mailed to said registered holders of said receiver's certificates at their respective addresses as the same appear upon the books of the Receiver. The books of the Receiver will not be open from April 15, 1943, to April 30, 1943, both dates inclusive, for registration of transfers of receiver's certificates. It is anticipated that dividend checks will be mailed on or about April 30, 1943.

"Holders of bonds and coupons, who have not delivered their bonds and coupons to the Receiver and have not made proof of claim thereon, should promptly secure from the Receiver the forms necessary for such delivery and such proof."

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Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

Last week this column discussed how relatively short-lived may be industrial leadership, as exemplified in the changing composition of the Dow-Jones Industrial Average, and how relatively enduring is leadership in the fire insurance field. This same quality of enduring leadership is also a characteristic of commercial banking.

Banking is an essential and irreplaceable service, without which neither business nor government could function efficiently. Hence, it is immune to those destructive technological changes which so often sound the death knell of hitherto prosperous industrial and business enterprises. As a result, leadership in banking has endured, and the leading banking institutions of our grandfathers are also among the leaders of today. They have interesting and even romantic histories, and many of them have played important roles in the Epic of America.

Bank of New York, New York; Age 159 Years—Organized five years before the adoption of the Constitution of the United States. Of all the founders of the bank, Alexander Hamilton, then but 27 years of age, played for several years the most active part. It was the first bank in New York, and for 15 years the only bank. Dividends have been paid continuously since organization.

Bank of The Manhattan Co., New York; Age 144 Years—Chartered in 1799 as a water company, but through the astuteness of Aaron Burr a clause was written into its charter permitting its surplus to be used "in any other monied transaction not inconsistent with the Constitution and laws of the State and the United States." In 1842, the City of New York inaugurated its own water system and thereafter the company devoted itself exclusively to banking operations. Its unbroken dividend record extends back 96 years.

Manufacturers Trust Co., New York; Age 131 Years—Though organized in 1905 as the Citizens Trust Co. of Brooklyn, its history dates back to the organization of the New York Manufacturing Co. in 1812 and of the old Phenix Bank founded in 1812. The present institution represents successive mergers of more than a score of smaller ones over a period of several years. Dividends have been paid in every year since 1909.

National City Bank, New York; Age 131 Years—Organized in 1812 as the City Bank of New York, it opened its doors but a few days before war broke out, and actively assisted the Government to float its war loans. It is the second largest bank in the United States. Dividends have been paid uninterruptedly since 1853.

Chemical Bank and Trust Co., New York; Age 120 Years—Chartered as the New York Chemical Manufacturing Co. in 1823, the year in which President Monroe formulated the "Monroe Doctrine." It conducted a combined chemical and banking business until 1844, when the chemical department was liquidated. In the panic of 1857 it was the only bank in New York to maintain specie payment and was dubbed "Old Bullion." Its unbroken dividend record is 116 years.

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Irving Trust Company, New York; Age 105 Years—Established in 1851 during the early years of the California gold rush; it was named after Washington Irving, in whose honor a dinner was given to celebrate the opening of the bank. If consideration is given to banks which have been merged, its history dates back to 1838 when, during the Presidency of Martin Van Buren, The American Exchange Bank was organized. Dividends have been paid without a break over the past 38 years.

Guaranty Trust Company, New York; Age 104 Years—Although organized as the New York Guaranty and Indemnity Co. in 1864, its history actually commenced with the founding of the National Bank of Commerce in 1839, which merged with Guaranty in 1929. It became especially prominent at the time of World War I, when it was credited with handling more foreign business than any other American banking institution. Its unbroken dividend record is 51 years.

Central Hanover Bank & Trust Co., New York; Age 92 Years—Traces its history back to pre-Civil War days when, in 1851, Hanover National Bank was organized. It was originally located in the famous India House on Hanover Square, New York. Its unbroken dividend record extends back 79 years.

Corn Exchange Bank Trust Co., New York; Age 90 Years—Organized in 1853, during the period of prosperity which followed the discovery of gold in California. It was one of the first banks to realize the possibilities in branch banking, legalized by the New York State Legislature in 1898. Dividends have been paid without a break since the year of organization.

United States Trust Company, New York; Age 90 Years—Chartered in 1853 by an act of the New York State Legislature; it was one of the first companies organized in the country to transact exclusively the business of a trust company. Dividends have been paid uninterruptedly since 1854.

First National Bank, New York; Age 80 Years—Organized in 1863, it was the first bank to receive a charter under the National Bank Act of 1863. For many years it has been closely affiliated with the House of Morgan. It deals almost exclusively with large accounts. Dividends have been paid without interruption since 1864.

Chase National Bank, New York; Age 66 Years—Organized in 1877, during the secondary post-Civil War depression, and named after Abraham Lincoln's Secretary of the Treasury, Salmon P. Chase. It now ranks as the largest bank in the country. Dividends have been paid uninterruptedly since 1878.

New York Trust Co., New York; Age 54 Years—Established in 1889 as New York Security and Trust Co., at the height of the railroad building boom. It is commonly known as a Morgan bank. Its unbroken dividend record extends back 39 years.

The above 13 banks are all leading New York City institutions. There are old-timers and leaders in other cities also, for instance in Boston, Philadelphia, Chicago, San Francisco, etc., but space does not permit sketching their histories at this time.

Interesting Opportunities For Capital Gain

An exceptionally attractive, well-prepared, concise brochure containing highlights on 15 special situations which offer better than average market enhancement possibilities is now available for dealer distribution by Adams & Co., investment brokers, 231 South La Salle St., Chicago, Ill. The issues discussed and analyzed have been selected by Adams & Co. as investments which at the present time are benefiting because of their direct or indirect war participation—and —because they appear to have a real and necessary post-war place in the nation's progress. Diversification is the keynote, with highlighted items on lumber, coal, utilities, transportation and real estate. Each of the reports have been prepared with a viewpoint of presenting the outstanding facts in a short, concise manner, and can be readily absorbed "in a glance." This "in a glance" serves as a guide to a more complete study of each of the special situations, which study can be made in any of the standard statistical services. The need by brokers for this "in a glance" procedure has been evident for some time, Adams & Co. believes, as it eliminates the "wading through" long, cumbersome reports and statistics, merely to find out if an interest is desired. This brochure gives a bird's-eye view; then if the situation looks interesting a more intensive study can be made. The available supply of brochures is limited, so it is suggested that requests be made at once.

DIVIDEND NOTICES

INTERNATIONAL HARVESTER COMPANY

Quarterly dividend No. 99 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable June 1, 1943, has been declared to stockholders of record at the close of business May 5, 1943.

SANFORD B. WHITE, *Secretary.*

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1943 to stockholders of record on April 15, 1943. The transfer books will not close.

THOS. A. CLARK
March 25, 1943 TREASURER

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 5, 1943.
NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS

The Annual Meeting of Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 13, 1943, at 10 o'clock A. M., to elect four Directors for the term of three years.

Stockholders of record at the close of business April 23, 1943, will be entitled to vote at such meeting.

L. W. COX, *Secretary.*

Our Reporter's Report

(Continued from page 1475)

through, since as it was a straight refunding, and not a new money undertaking, it would not interfere with the Treasury's vast war financing program, now in full swing.

Although no official explanation for the decision to delay the deal was given the Government's financing was generally accepted as the reason. But now there is some talk of inability to have overcome certain technicalities in the short time available to the company, among other things the basis of guarantees by joint owners.

Mexican Bonds A Cue

News has a way of getting around, or perhaps some people who dabble in the foreign bond list are a bit psychic.

At any rate the sudden burst of activity in Mexican bonds listed on the New York Stock Exchange just before the announcement that President Roosevelt was on tour again, aroused no little interest.

When it developed that the President was in Monterey, Mex., from where he spoke Tuesday night, some followers of the bond market must have been a bit taken back.

Insurance And War Effort To Be Discussed In N. Y. April 27-29

The place of insurance—in all of its forms—in wartime will be thoroughly canvassed at a special insurance session of the War Council which the Chamber of Commerce of the United States will hold at the Waldorf-Astoria Hotel, New York City, April 27 to 29.

The session is scheduled in the program under the heading, "Insurance and the War Effort." In attendance will be executives and leaders of the major branches of the insurance industry.

Prominent among the speakers will be Jesse H. Jones, Secretary of Commerce; W. Gibson Carey, President, Yale & Towne Manufacturing Co. and former President of the National Chamber, and Dr. James S. McLester, Professor of Medicine, University of Alabama, Birmingham, Chairman of the National Chamber's Health Advisory Council and former President of the American Medical Association.

The nation-wide Blue Network broadcast of most of the program, beginning at 1:45 o'clock, will provide a unique feature, since this will be the first radio program ever to be broadcast in connection with the entire insurance industry. In addition to the addresses, the broadcast will include dramatizations by professional talent on "The War Services of Fire, Casualty and Life Insurance."

James L. Madden, Vice-President of the Metropolitan Life Insurance Co. and Chairman of the Chamber's Insurance Committee, will be Chairman of the session, and Paul L. Hardesty, Manager of the Chamber's Insurance Department, will be Secretary.

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Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1941	£150,939,354

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RESERVE FUND	£3,000,000

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Subscribed Capital	£4,000,000
Paid-Up Capital	£2,000,000
Reserve Fund	£2,200,000

The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

George V. Rotan Dead

George V. Rotan, senior partner of George V. Rotan & Co., 806 Rusk Avenue, Houston, Texas, died of influenza at the age of 56. His illness was attributed by friends to the strain of work as co-chairman of the Houston City Committee which raised $87,000,000 in the campaign to build a new cruiser to replace the Houston lost in the war.

Frank Moll In Buffalo

BUFFALO, N. Y. — Frank R. Moll has formed Frank R. Moll & Co., Inc., with offices in the Liberty Bank Building, to engage in the securities business.

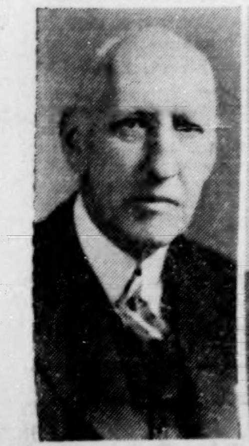
N. Y. Savings Bank Committee Calls For United Action To Coordinate Post-War Planning

(Continued from page 1474)

history, much of it designed for the latest productive techniques. We will have greater sources of raw materials, natural and synthetic, than ever before. We will have the greatest number of skilled mechanics and technicians ever available to any nation. There will be a gigantic demand for our products and services, not only in the American market but in world markets, and with our assumption of a leading position in aviation and shipbuilding we can reach the markets of the world.

Harold Stone

Frank H. Williams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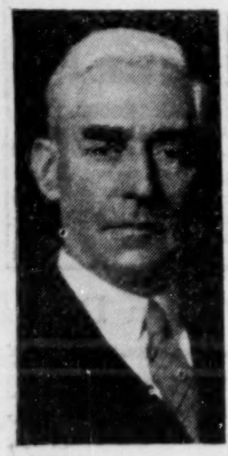
Clarence M. Fincke

Edward A. Richards

"It would seem, therefore, that with intelligent post-war planning by all groups, cooperating and coordinating their activities, we might embark on an era of unprecedented prosperity guided by the accumulated experience of previous cycles of expansion and decline. This is the task of industry, agriculture and labor combined through concerted action, and it is the duty and responsibility of these groups to meet this challenge to justify our right to be a great and free nation."

The report also points to responsibility of all groups to put aside self interest and distrust:

"Our technique of mass production, technological achievements, talent for organization and ability to convert from peaceful pursuits to war are products of our economic system, so that today we are the 'Arsenal of Democracy' and the hope of the world.

"The shape of tomorrow's world will depend on the combined ability of each group—industry, agriculture and labor—to understand and solve responsibilities severally and jointly. Cooperation and mutual assistance must displace self-interest and mutual distrust. Each segment of our population must consider the welfare of the others and we must be so closely knit that the welfare of one segment is integrated with the welfare of all others.

Philip A. Benson

"Government also has its responsibility. All wartime and emergency powers given to it for the proper prosecution of the war, should be restored to the people after the war as quickly as possible."

It is essential, the report continues, for the country to have a tremendous production and distribution of goods to attain and maintain a record breaking national income to meet the inevitable increase in cost of Government, and for a time, rehabilitating and policing the world. Post-war plans must include a decentralization of vast bureaucratic organizations, simplification of the tax structure, and the abolition of taxes on capital gains and other restrictive measures which retard economic growth and discourage new enterprise. Social Security should be based on hard work, production of goods and services, and thrift. Private enterprise should be allowed to continue in the development of railroads and the transportation industry, and public utility fields. Employment must be made a joint objective of Government and industry during the transition from war to peace.

In New York City the Savings Banks Committee recommends planning on a broad scale by all interested groups within the City and this must be coordinated in a strong active central group such as the Regional Plan Association.

The report also recommends more equitable distribution between the state and city of taxes which originate in the city, including income, gasoline, stamp and corporate taxes. The further measures proposed are indicated as follows:

"Cost of Government should be cut down and requirements made more strict for people applying for relief. Changing conditions challenge the progress of the city. Many benefits and civic services offered by the city result in extremely high taxes which place a heavy burden upon real estate, and the city sales tax and others do not add to its attractiveness for business. Cooperation must be given to the Citizens Budget Commission and other organizations striving for the reduction in the cost of Government. Existing industries and new industries must be fostered here in the city. Transportation companies, hotels, banks and associations should join in promoting the city throughout the country. Plans must be made to solve the traffic problem and the rehabilitations of blighted areas. Whatever plans are made in these regards by the city must be coordinated with those of private enterprise and on the whole should only be used as a last resort to meet emergencies arising from large scale unemployment. The city should be developed as a style center, as an artistic and cultural center, as a market center, insurance center, amusement center and financial center. The Federal Government should make reasonable modifications in the Securities and Exchange Laws without relaxing investor safeguards and cease to detract from the city's pre-eminent position as the world's leading financial center.

"Likewise, planning for New York State must be on a cooperative basis, the report continues, and should provide for the welfare of all segments of the population. Many of the laws of the state have produced an adverse effect on its economy by driving out of the state desirable corporations and individuals and attracting less desirable individuals through liberal relief laws. Everything should be done to keep New York State in as favorable a position as its neighboring states. New industries and products should be studied for development within the state. Existing business should be expanded and enlarged. Agriculture and natural resources should also be expanded and developed. Educational and research facilities should be enlarged and improved and more trade schools established for the benefit of those returning to peacetime activities from the armed forces and the war industries.

"In conclusion, the people of the United States must call for free enterprise, free employment and the fullest production, consumption and exchange of goods so that increased savings and national thrift can be brought about. These recommendations are made so that savings banks as well as all industries and persons may work and progress in a sound economy now and in the future."

President On Inspection Tour Of Camps—Visits President Camacho Of Mexico

President Roosevelt and President Camacho of Mexico met in the City of Monterey in northern Mexico on April 20 and exchanged pledges to promote the closest understanding and continued unity of purpose between the peoples of the two countries.

The Chief Executives joined in a radio broadcast to the peoples of Mexico and the United States, renewing war promises to work together for a common objective and recognizing a mutual interdependence of their joint resources.

Mr. Roosevelt's visit to Mexico was in the course of an inspection tour of American war factories and training camps, which the President began on April 13, when he left Washington. This was the first time in 34 years that the Presidents of the two neighboring republics met face to face.

President Roosevelt

Mr. Roosevelt, in his address, said in part:

"Not less important than the military cooperation and the supplies needed for the maintenance of our respective economies has been the exchange of those ideas and of those moral values which give life and significance to the tremendous effort of the free peoples of the world. We in the United States have listened with admiration and profit to your statements and addresses, Mr. President, and to those of your distinguished Foreign Minister. We have gained inspiration and strength from your words.

"In the shaping of a common victory our peoples are finding that they have common aspirations. They can work together for a common objective. Let us never lose our hold upon that truth. It contains within it the secret of future happiness and prosperity for all of us on both sides of our unfortified border. Let us make sure that when our victory is won, when the forces of evil surrender—and that surrender shall be unconditional—then we, with the same spirit and with the same united courage, will face the task of the building of a better world.

"There is much work still to be done by men of good will on both sides of the border. The great Mexican people have their feet set upon a path of ever greater progress so that each citizen may enjoy the greatest possible measure of security and opportunity. The Government of the United States and my countrymen are ready to contribute to that progress.

"We recognize a mutual interdependence of our joint resources. We know that Mexico's resources will be developed for the common good of humanity. We know that the day of the exploitation of the resources and the people of one country for the benefit of any group in another country is definitely over.

"It is time that every citizen in every one of the American republics recognizes that the good-neighbor policy means that harm to one republic means harm to every republic. We have all of us recognized the principle of independence. It is time that we recognize also the privilege of interdependence — one upon another."

President Camacho, among other things, spoke of the degree of military cooperation and the industrial and agricultural mobilization of his country.

The two Presidents spoke at a State dinner. Earlier in the day Presidents Roosevelt and Camacho had reviewed a motorized Mexican division.

Mr. Roosevelt's tour of training camps started on April 14 at the Marine Corps station at Parris Island, S. C. The following day (April 15) he visted the Army Air cadets at Maxwell Field, Ala., and later the same day Fort Benning, Ga.

The President then rested briefly at the "Little White House" at Warm Springs, Ga., and resumed his trip on April 17 reviewing the Women's Army Auxiliary Corps at Fort Oglethorpe, Ga. Other places visited were Camp Forrest, Tenn., Camp Joseph T. Robinson in Arkansas.

Personnel Items

NEW YORK, N. Y.—**Harold E. Keays**, formerly with W. J. Banigan & Co., is now in the retail sales department of **Amott, Baker & Co., Incorporated**, 150 Broadway.

NEW YORK, N. Y.—**William G. Carey**, previously with Seligman, Lubetkin & Co., is now associated with **Blair F. Claybaugh & Co.**, 72 Wall Street, as manager of the real estate bond and stock department.

(Special to The Financial Chronicle)

GLENDALE, CALIF. — **Laurence Casselman**, previously with Bankamerica Company and Marshall, Sanders Incorporated, has become affiliated with **Searl-Merrick Company**, 107 East Broadway.

(Special to The Financial Chronicle)

JACKSONVILLE, FLA. — **Bert S. Long** is with **Cohu & Torrey**, which maintains Florida branches in the Metcalf Building, Orlando, and in the Walgreen Building, St. Petersburg.

LOS ANGELES, CALIF.—**Melville Bruce McLean** has become affiliated with **Bingham, Walter and Hurry**, 621 South Spring Street.

(Special to The Financial Chronicle)

PORTLAND, MAINE—**Ralph M. Sommerville** has been added to the staff of **Timberlake & Co.**, 191 Middle Street.

(Special to The Financial Chronicle)

SPRINGFIELD, MASS.—**Charles E. Pease** is now with **Barrett Herrick & Company, Inc.**, Third National Bank Building. In the past Mr. Pease was with Geo. W. Smalley & Co.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 19 that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated April 21 and to mature July 21, 1943, which were offered on April 16, 1943, were opened at the Federal Reserve Banks on April 19.

The details of this issue are as follows:

Total applied for $1,622,219,000.

Total accepted, $905,584,000.

Range of accepted bids:

High—99.935 equivalent rate of discount approximately 0.257% per annum.

Low—99.905 equivalent rate of discount approximately 0.376% per annum.

Average price—99.906 equivalent rate of discount approximately 0.371% per annum.

(19% of the amount bid for at the low prices was accepted.)

The weekly offering of bills was increased from $800,000,000 to $900,000,000 on April 19 in view of the increase in maturing issues from $600,000,090 to $700,000,000 and the Treasury's desire to continue its present policy of obtaining $200,000,000 weekly in "new money."

There was a maturity of $701,511,000 in bills on April 21.

Attractive Situations

Hudson River Day Line Second Mortgage 6s of 1956, Oklahoma City Ada-Atoka Railway first 5s of 1954, and Queen Dyeing Company first 5s of 1944 offer investors interesting possibilities according to descriptive circulars on these companies just issued by D. F. Bernheimer & Co., Inc., 42 Broadway, New York City. Copies of these circulars may be had from the firm upon request.

The 2nd War Loan is On!

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CANADIAN SECURITIES

By BRUCE WILLIAMS

Two recent developments afford confirmation of Canada's growing financial strength. Although hardly unexpected in view of the Dominion's soundly conceived and zealously administered fiscal policies, these developments cannot fail to give added assurance to American holders of Canadian securities.

The first was Finance Minister J. L. Ilsley's announcement in Parliament last week on Canada's position with respect to U. S. dollar exchange. During the war years when we were still neutral it was difficult for Canada to obtain sufficient U. S. currency to purchase essential war materials from this country. Only by adopting a course of strict self-denial in the matter of imports and travel was it possible for her to fill war requirements without seriously impairing the exchange value of the Canadian dollar in the American market.

The strain of this situation was recognized in the Hyde Park agreement whereby we committed ourselves to purchase sufficient war materials from Canada to balance her war purchases from us. At that time the official rate of exchange between the two countries was pegged with the Canadian dollar at a 10% discount from pre-war parity.

Even after the Hyde Park "reciprocal trade agreement" for war materials became effective, Canada maintained restrictions on civilian imports with the result that she now has an exchange balance with the United States in both her war materials and non-war accounts. This was the basis for Mr. Ilsley's announcement that it was the Government's intention henceforth to "avoid building up a large surplus or running into a deficit" with respect to U. S. dollar exchange.

Having tightened her national belt to meet the insatiable demands of war during a period of over two years when she was the only nation in the Western Hemisphere openly fighting the Axis, and having continued her all-out fiscal and productive efforts when strong allies came to take over an increasing share of the burden, Canada is now in an exceptionally sound position, both financially and morally, at the table of the United Nations.

The second development also relates to Canada's improving financial position, but on another front—that of food supplies. The record of Canadian agriculture is fully equal to that of our own in the vital matter of production. And in the hardly less vital matter of price control our Administration's dilatory bunglings are put to shame by the Canadian record. Although we have the largest supply of wheat in history, pressure group politics have driven the price up to a point where American millers can afford to buy Canadian wheat in spite of the 52¢-per-bushel tariff which, our Good Neighbor policy nothwithstanding, still prevails.

Now, in a belated effort to head off further inflation, our Government was reported last week to be negotiating for the purchase of huge amounts of Canadian wheat for resale at low prices to dairy and livestock farmers for use as feed. Fortunately, Canada's wheat reserve of 750,000,000 bushels—approximately equal to a full year's normal consumption in this country—is ample to meet the demand. Meanwhile, our Government is in the ridiculous position of not being able to sell its own large supplies of wheat below parity ($1.58 basis Chicago), except as permitted by Act of Congress.

However much one might wish for a more statesmanlike administration of this difficult problem in the United States, the very fact that supplies are in abundance is something to be thankful for. As long as we have them, we can rest assured that a way—most likely a cumbersome and expensive one—will be found to get them into the channels of distribution once the need has reached the "crisis" stage.

Meanwhile, Canada will no doubt be happy to sell us all the wheat and coarse grains that we want—and at fair prices, too. One result so far as Canada is concerned will be a further strengthening of her civilian or non-war account with the United States.

Treasury Offers 7/8% Certificates In Exchange For Two Maturing Issues

Secretary of the Treasury Morgenthau announced on April 19 the offering, through the Federal Reserve Banks, of one-year 7/8% Treasury Certificates of Indebtedness of Series C-1944, in exchange for 0.65% Treasury Certificates of Indebtedness of Series C-1943, maturing May 1, 1943, and 3/4% Commodity Credit Corporation Notes of Series F, also maturing May 1, 1943. Exchanges will be made par for par, and the offering of the new certificates will be limited to the amount of securities of the two maturing issues tendered and accepted in payment therefor. Cash subscriptions will not be received. As announced on March 12, this exchange operation will be conducted outside of the Second War Loan Campaign. The offering of a new security to holders of the two maturing issues, it was said, is not to be considered as a precedent for future refunding operations of the Treasury.

The Treasury's announcement further explained:

"The certificates now offered will be dated May 1, 1943, and will bear interest from that date at the rate of 7/8 of 1% per annum, payable semi-annually on Nov. 1, 1943, and May 1, 1944. They will mature May 1, 1944. They will be issued in bearer form only, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax acts now or hereafter enacted.

"Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates or notes, with final coupon due May 1, 1943, detached.

"The right is reserved to close the books as to any or all subscriptions at any time without notice. Subject to the reservations set forth in the official circular, all subscriptions will be allotted in full.

"The certificates will be redeemed in cash at maturity and will carry no exchange privileges.

"There are now outstanding $1,505,727,000 of the Series C-1943 certificates and $289,458,000 of the Series F notes."

William Perry Brown Reports To NSTA On Association's Activities To Date

Over 1,100 Firms Represented In Membership

William Perry Brown, President of the National Security Traders Association, has forwarded to the members a report covering the activities of the association for the period Oct. 1, 1942 to April 15, 1943. In his report, Mr. Brown declared:

Wm. Perry Brown

"Although it may not be necessary to point out to you the value of your membership in the association, I would like to stress this point most strongly to you because the advantage you derive in a personal and business way is unquestionably of prime importance and enables you to be closely associated with approximately 2,000 fellow members, all striving for the same purpose. The Association is constantly working in your behalf on the problems confronting the industry and is recognized as one of the outstanding factors in the Securities Industry.

"The membership has not decreased to the extent that might be expected due to those who have joined the armed forces, and I believe the total for this year will be approximately 2,000 members. It is most interesting to know that these members represent something over 1,100 firms throughout the United States. The Association is proud of the number of its members in the armed and defense forces of this country. It is likewise proud of the personal sacrifices being made by the members by devoting their efforts in the sale of War Bonds and their work with the various Victory Fund Committees.

"Economy has been uppermost in the minds of your officers and members of the Executive Council and the operations of your Association have gone forward at the least possible expense. You were called upon through your affiliates for an additional contribution of $2.00 a member in excess of your regular $1.00 annual dues and it is most gratifying to state that out of a total of 21 affiliates 13 have already paid their contributions and the balance have either already approved this action or they are still considering the matter.

"A most successful meeting of the National Committee was held in Chicago on Feb. 3, 1943 with 23 officers and National Committeemen present at the meeting. In addition there were in excess of 75 out of town members of the Association in attendance at the dinner of the Bond Traders Club of Chicago which was held on February 2nd. A meeting of the Executive Council was also held in Chicago on Feb. 2, 1943, six of the nine members were present.

"The Special Executive Committee, consisting of Mr. Joseph W. Sener, Mr. B. Winthrop Pizzini and myself, has been most active on legislation, rules and regulations affecting our industry. This committee in its entirety met during the month of October, 1942 at Philadelphia, Pennsylvania, with Mr. Wallace H. Fulton, Executive Director of the National Association of Securities Dealers and I am pleased to report that Mr. Fulton was most cooperative and helpful. The committee at the same time met with Mr. James A. Traynor of the Securities and Exchange Commission in its office in Philadelphia, Pennsylvania. Mr. Traynor gave us the opportunity of discussing the Disclosure Rule with him in its entirety and I am pleased to report that we had a most successful meeting. This committee has worked closely with the various other associations on the problems confronting the industry and there is considerable additional work to be accomplished during this year. The membership may be assured that they are being properly represented and we are confident that the good derived from these many contacts is most beneficial.

"During the month of January the membership was furnished a copy of the article "The Wrong Formula," which was written by Mr. Irwin R. Harris, Chairman of the Public Relations Committee. This booklet was likewise distributed to the Governors and Directors of the National Association of Securities Dealers, Inc., the Securities and Exchange Commission, members of the Board of Governors of the Federal Reserve System, members of the Boards of the 12 Federal Reserve District Banks, and others. The article was reprinted in the "Commercial and Financial Chronicle" as well as other financial publications and newspapers throughout the country. The Public Relations Committee is most hopeful of the ultimate results to be derived from this article and its work concerning Regulations "T" of the Federal Reserve Board. You can readily see where this work can be of immense value to the members of this Association.

"The War Bond Committee, of which Mr. Frank P. Meyer is Chairman, has been most actively engaged in carrying on this most important work. This committee has been in communication with the Treasury Department and has offered the full cooperation and assistance of your association in the sale of War Bonds and Treasury Bonds through the Victory Fund Committees throughout the country. This committee has urged the continued good cooperation of our members and we are confident that the success of the Victory Fund Drives can be attributed in part to the excellent work being done by the members of this Association.

"The Municipal Committee, of which Mr. Russel M. Dotts is Chairman, reports that it is working very closely with Mr. Austin Tobin of New York, Secretary of the Conference on State Defense and that he had a meeting with Mr. Tobin recently in behalf of the Municipal Committee of this Association. It is felt that the Municipal Committee will complete a most successful year in the work that it is carrying on.

"It has been impossible to officially visit all of the affiliates because of our economy plan. However, official visits have been made by the officers to some of the fall and winter dinner meetings of various affiliates. It is hoped that the officers will be able to attend meetings of other affiliates during the balance of this year."

Impressive Increase In Trading With Trend Of Stock Prices Upward

Gen. Ayres Sees Reason For Market Strength In Profits To Speculators

Although the trend of stocks has been generally upward for a year and has carried price averages up as much as 50%, the volume of trading has shown an impressive increase, Brigadier-General Leonard P. Ayres points out in the April 15 issue of the Cleveland Trust Company's "Business Bulletin." General Ayres observes that "it is worth while to consider the probable causes of these developments because they have taken place while the burdens of taxation have grown heavier, and while both corporate earnings and the payments of dividends have been decreasing." He likewise comments on the fact that "in addition, the problems of industry are growing more difficult, as shortages of manpower develop, and those of transportation and materials become more threatening."

Gen. L. P. Ayres

"No doubt," he says, "one reason for the long bull market is that people in general are increasingly confident of victory in our two wars." "Probably," he states, "an even more important explanation is to be found in the fact that people have more money to spend than ever before, and progressively fewer things to buy." Likewise, he adds, people "cannot back new business enterprises," and "there are few opportunities for new venture capital." Continuing, he says:

"While it is true that industry is earning less than it was a year ago, and paying smaller dividends, it is also to be noted that last April, when this bull market started, stock prices were at exceptionally low levels, and even now dividend yields of high grade stocks are well above the returns available from sound bonds, or from savings deposits. Moreover, present shortages of goods keep reminding people that backlogs of demand are being built up, which will afford great opportunities in post-war times.

"Probably there is a still more important reason for the strength of this bull market after it had run for so long a time, and that is that almost everyone who speculated in it made profits. Perhaps the profits were not large, but they were consistent, and they were gained with the greatest of ease. Many of the current speculators are newcomers who have no harrowing memories of margin calls. They have been having a wonderful time."

Our Reporter On "Governments"

By S. F. PORTER

This is terrific, stupendous, magnificent and, choose your own adjective if you can find a more dramatic one . . . . This is so big. so great, so inspiring a response that even the most optimistic of the optimists are at a loss for words to describe what they are seeing . . . Don't gasp . . . . But one forecast from a leading Government bond dealer in the country today was that the total subscription might hit the $19,000,000,000 mark! . . . Another man, known for his conservatism, says $3,000,000,000 to $4,000,000,000 over the oficially stated goal of $13,000,000,000 for the second war loan drive would not be at all surprising . . . . As for this commentator, the prediction here that $15,000,000,000 to $16,000,000,000 would be subscribed—and the flat statement that the objective was not $13,000,000,000 but far above that figure—now not only are vindicated but are proved too cautious. . . . . We're still at the beginning of the campaign, of course, and beyond question the impetus will be less telling at the end of this week, but what is more important is that already the orders are exceeding all estimates and the bank buying of the 2s is still to come . . . .

What has it meant to the market? And what will it mean? . . . . Consider these points, which are of vital significance to every investor, actual and potential . . . .

(1) The market is strong, buoyant, moving ahead in a way that no one—including the Federal Reserve and the Treasury—anticipated . . . .

(2) Prices of long-term bonds are advancing sharply with the last four tax-exempt issues in the heaviest demand of months . . . .

(3) Buying is coming from banks all over the country, represents real investment, not speculative playing with the market . . . .

(4) This buying is certain to continue, for the banks of the nation are just starting to recognize they must enter the open market and pick up securities if they're going to employ all their excess funds and use their war loan accounts . . . . They are not being given much of a chance at new issues and they know that, if possible, they'll be given less opportunity to buy them at par . . . .

(5) The Federal Reserve Open Market Committee hasn't had a thing to do on the supporting side of the list, and although it may do some buying and selling, the feeling is the Federal will just sit back and let its own securities rise and show a profit, too . . . .

(6) The sentiment of optimsim around the New York financial district today is something not seen for years . . . . And the general prediction is that after this deal is over and the "over the top" figures have been disclosed, the market really will get going on the upside . . . .

TAX-EXEMPTS

Where the real strength has shown up lately is in those last four tax-exempt issues . . . . The ones mentioned in this column frequently and highly recommended during the last six weeks . . . . They are:

(1) The 2⅞s of 1960/55, selling at 110.10 at this writing, to yield 1.90% to call and 2.14% to maturity . . . .

These bonds have been acting beautifully . . . . Tremendous buying of them reported all over the country . . . . High coupon plus good maturity (only 12 years on the call date) plus tax-exemption contributing to movement . . . .

No telling what will happen over a period of years, but since this is a column of reporting, it's worth mention that one dealer thinks the 2⅞s eventually will sell at 114 . . . . Maybe in a few years—after the tax-exempts have been cut by another few billions and the investors who need them really start scrambling for the bonds . . . .

(2) The 2¾s of 1959/56, selling at 109.14, to yield 1.94% to call, 2.06% to maturity . . . .

Nothing especial to report about these except that they're in great demand, too . . . . Feeling is banks won't be selling tax-exempts when they recognize their value even if they have good profits . . . . As one commentator put it: "They just can't afford to sell them and take the burden of excess profits taxes" . . . .

(3) The 2¾s of 1963/58, selling at 109.13, to yield 2.02% to call, 2.17% to maturity . . . .

The longer the tax-exempts, the better chance they have to advance . . . . Shorter ones are held down by their own yield relationships, of course . . . . The best possibilities, therefore, lie in the longest-terms out . . . .

One interesting report is that there has been and is considerable switching from the intermediate tax-exempts to the longer-term exempts . . . . It's logical, of course . . . .

(4) The 2¾s of 1965/60, selling at 109.25, to yield 2.08% to call, 2.20% to maturity . . . .

These are preferred by some of the smartest traders around for they figure these can rise the highest and are as safe in price as any of the other shorter bonds . . . .

Calculation on possibilities indicates that the 1965/60 bonds could get up to 116.9 while the maximum on the 1960/55 bonds is 114 . . . . Meaning that the 2⅞s could rise from the current level of 110.10 to 114 while the 2¾s could rise from 109.25 to 116.9, an obvious differential with an obvious moral . . . .

There are going to be a lot less tax-exempts at this time next year, incidentally . . . . About $9,000,000,000 are going out in the next 12 months and that's going to make a definite dent on the market . . . . First out, of course, will be the $454,000,000 of 3⅜s, due for repayment June 15 . . . . Then will come the $1,401,000,000 3¼s of 10/15/45/43 . . . . No question about their call and redemption, naturally . . . .

INSIDE THE MARKET

Report from market is that buying is swinging through the entire list . . . . No special preference shown except for the tax-exempts but a glance at the price level will indicate clearly how widespread the buying has been . . . .

Considerable switching also reported from intermediates to longs, in both tax and tax-exempt classification . . . . It's bank investing—based on the desire for greater earnings and the conviction that the market is in good shape . . . .

As for total subscriptions, the forecasts vary but belief is there will be no difficulty in hitting the $15,000,000,000 mark—which was the original "unstated" goal . . . . What we're talking about now, then, is the real oversubscription in terms of the inside setup . . . .

Maybe $17,000,000,000, probably even more . . . . Why the optimism? . . . . Because this drive actually is reaching into the out-of-town, out-of-the-way districts . . . . The war bond buying we're seeing was totally unexpected, and the way things look now way over the $1,000,000,000 goal set for this month's purchase will be hit . . . . Out-of-town institutions, small firms, corporations, professional people are picking up the 2½s and 2s in tremendous quantities . . . .

So the ideas formed before the drive which were based on big institutional buying are being cast aside . . . . That big-time buying will happen anyway and the little stuff will raise the quota . . . .

Not much borrowing-to-buy bonds going on but there's enough to encourage feeling that this market will become a much more familiar trading medium in another six months . . . . When the time for picking up the bonds in full arrives and subscribers either have to put up the cash or sell out . . . . It suggests a more active market on a permanent basis . . . .

On premiums, here are the forecasts . . . . Feeling is the 2½s will get up to ½ point premium in three weeks . . . . will be selling above that by mid-May, assuming the market continues as active and strong as is indicated . . . .

As for the 2s, they may reach the 100.20 level in May, it is said . . . . Depending on how wide is the subscription to the 2s . . . .

Some switching—but not as much as could be—from the outstanding 2s of 1952/50 into the new 2s . . . . By savings banks and other non-banking investors eligible to buy the 2s at this time . . . . (Commercial banks can't until the last three days of the drive) . . . .

Fact that there's not more shifting out of the outstanding 2s into the new issue is another confirmation of market's strength . . . .

Hanes Committee Report Cites Continued Loss Of Trade By New York City

(Continued from page 1476)

nor Dewey, the committee said that it was "deeply impressed with the gravity of the economic problems facing our principal city, not merely during the war, but especially in the post-war period."

John W. Hanes

David Dubinsky

Stating that the "problem of business and employment opportunities in New York City are not of a character" that can immediately be solved, the committee declared that the "continuance of economic progress, or even the prevention of serious economic deterioration in the metropolitan area of New York, constitutes a major community problem and one that demands the attention of the most able citizens of the city and State as well as the efforts of the State and municipal governments."

Delos Walker

Elliott V. Bell

In carrying out its assignment the committee interviewed a large number of New York City businessmen, heads of various trade and industry associations, labor leaders, and officials of both the city and the State. During these discussions various factors were frequently cited as adversely affecting business and employment in the city. These were listed in the report as follows:

Taxes and Assessments

"There was general agreement that the burden of taxation, including the New York City sales tax, had operated to the disadvantage of business in the metropolitan area. Particular stress was laid upon continued high assessments on New York City real estate which, it was claimed, militate against the expansion of existing industries in the city and discourage the location of new industries in the area. The high level of the stock transfer tax tends to drive business away from the New York Stock Exchange to out-of-town Exchanges."

Labor Differentials

"The preponderant, although not unanimous, view of those with whom the committee talked was that wages in the New York City area were generally higher than those in competing areas. This presumably arises out of the larger degree of organization of labor in New York City. The view was also expressed that there are, in some measure, restrictive shop practices within some of the organized industries in New York City which act as a handicap to their fullest effectiveness."

Congestion

"One of the frequently cited factors operating to discourage the location of new industrial enterprises in the New York City area rather than elsewhere was the lack of space for future expansion and the generally congested conditions obtaining in the city."

Traffic and Transportation Problems

"Adding to the relatively higher costs of doing business the metropolitan area, according to several of those who appeared before the committee, were the density of traffic and inadequacy of terminal and through traffic facilities in the city for all forms of transportation."

(Editor's Note—In a letter sent to Mayor LaGuardia under date of April 17, New York City Park Commissioner Robert Moses described the above-mentioned reference in the Hanes report "as an absurd summary." Actually, Mr. Moses wrote, "there is plenty of evidence to support the statement that since 1934 more has actually been done to meet the motor vehicle traffic problems of New York City than in any other large city in this or any other country. This achievement has been recognized all over the United States and abroad. This applies to main as well as local arteries and streets, and to incidental traffic improvements."

(Although admitting that the problem has not been, or ever will be, completely solved, Mr. Moses went on to say that "detailed post-war plans are under way for further improvements on a tremendous scale." Mr. Moses quoted from comments made by "a distinguished Englishman, recently sent to the United States by the British Government," who described large-scale building of express highways "as the most important development in American city planning in recent years," and declared that the "City of New York has led the way in the development of an outstanding system of express highways and parkways."

Vexatious Regulations

"A few of those consulted expressed the view that manufacturers located in New York City had in the past been harassed and discouraged by the multiplicity of regulations administered without sympathetic understanding of the problems of industry."

Washington Hostility

"A subtle but important factor in the decline of New York City according to one widely held view is the indifferent attitude which has prevailed in the National Capital and on the part of the Federal Government toward New York City. This has been particularly illustrated in the repressive measures taken with respect to the financial community which has a decisive bearing upon the economic welfare of the entire City. It is illustrated by the fact that recently, when the head office of the Securities and Exchange Commission was removed from Washington, it was transferred to Philadelphia instead of being located in New York, which would have been the logical place. New York City is especially well equipped to provide office space for various phases of the war effort and for government agencies dislodged from Washington. Available office space in the City was more than 6,000,000 square feet, according to a recent survey. There is no shortage of housing accommodation. While several Federal agencies have been moved to New York, others which might logically have been transferred here have been placed elsewhere."

Lack of Effort by City or State to Attract Business

"In contrast to other States and communities which have actively engaged in efforts to attract business and to safeguard the interests of existing enterprises, New York State and City, until recently, have made no effective efforts to bring new business into the community or to halt the existing tendency of established businesses to emigrate. This condition has been improved in recent years by the establishment on the part of the State of the Division of Commerce and on the part of the City of its Department of Commerce, but in this respect New York is still far behind other states."

A Mature Community

"In part, the economic problems of New York City are those which are common to established, mature communities. They are similar in this respect to many of the problems that have confronted industrial centers in New England and other older, settled parts of the country. Much of New York's industry is operated with antiquated methods, obsolete machinery and management that is lacking in modern and progressive point of view. As a consequence, these industries have been at a competitive disadvantage with those more recently established in other 'younger' sections of the

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The Future Of The Gold Standard

(Continued from page 1475)

buy and sell gold in the open market.

At the present time we pay $35.00 per ounce for gold and because we have so much gold in reserve we can place the value of gold at any point we desire so long as we maintain this enormous surplus of the yellow metal. By this, I mean that through the issuance of paper money into circulation we could raise the price level to practically any point and still keep the paper dollar tied to a gold content of 15 5/21sts grains of gold, 9/10ths fine.

I have a book practically ready for the press giving my viewpoint with respect to the entire money question. The title of the book will be "The New Dollar," and now that the money question is developing a popular interest again I will probably get the manuscript perfected so it can be placed in printed form within the next few months.

A. F. WHITNEY

President, Brotherhood of Railroad Trainmen

While I agree that a stable monetary system is a prerequisite to the establishment of a sound economy, I am not prepared to take a partisan position in the dispute between the managed paper-money school and the gold-standard school. The important thing is to adopt a monetary unity that will not only produce domestic peace, but will also serve as a means of guaranteeing a just and durable international peace after this war is won.

A. F. Whitney

I am glad to note that official steps are being taken with this end in view.

S. G. H. TURNER

Chairman of the Board, Elmira Bank & Trust Company, Elmira, N. Y.

Personally, I am in thorough accord with Dr. Kemmerer's sound opinion. The only criticism of the article came from some of our younger men who feel that Dr Kemmerer and I are old-fashioned and still have hopes that in some way we can have managed currency with less reliance upon the gold standard. I have less confidence in the ability of the mangers to manage.

S. G. H. Turner

RAY LYMAN WILBUR

Chancellor, Stanford University

In so far as I have knowledge of the subject, I am strongly of the gold standard school. It seems to me that, in the troubled world ahead of us, something substantial and appreciated, as is gold, will be of greater value in developing sound international exchange than any paper. War financing through political action is poor training for the development of a world-wide dependable financial mechanism using paper.

David M. Minton Dies

David M. Minton died at his home at the age of 73. Mr. Minton was a member of the New York Stock Exchange and a founder of D. M. Minton & Co., 120 Broadway, New York City. He retired from business in 1935 having transferred his exchange membership to Robert H. Minton, his son, now on duty with the Civil Air Patrol.

Spread Gospel Of Free Enterprise Wampler Urges; Warns Against Paternalism

(Continued from page 1476)

the judicial branches of our Government—these checks and balances are being swept away by the necessities of war. The duality of our Government with divided authority between the States and Washington, as contemplated by the Constitution, is being largely lost sight of as the Federal Government makes its demands for necessary wartime powers. Similarly, the requirement for rule by law, rather than by men, and the Constitution's antipathy to bureaucratic dictation are being forgotten as we pile both necessary and unnecessary war bureaus on top of each other.

The same holds true with respect to the Bill of Rights, which is being disregarded with such frequency and impunity that we are inclined to become callous and indifferent to the violations.

It is probable that we are properly patriotic in disregarding for the time being our historic ways and our traditional Constitutional rights in order to concentrate the necessary power for the prosecution and winning of this war. But, I would ask you to see clearly that there are at least some in our administrative offices, our legislative bodies and our judiciary who, under the guise of patriotic necessity, would seize and keep permanently those cessions of our liberty which we now so freely make for wartime purposes.

Let us see to it that while our sons and brothers fight abroad for freedom, that they and we are not undermined at home by individuals who are more concerned with their own careers than with the nation's necessities, and by philosophies of alien origin which tend to destroy the American way of living.

Remember this! Neither the war nor the singing of the "Star Spangled Banner," nor the waving of the flag do of themselves necessarily convert a communist into a Constitutionalist, nor a radical into a reliable representative, nor a politician into a patriot, nor an internationalist into an intense American. Here, again, all I am pleading for is that we see the facts as they are. Let us properly understand and approve and vigorously and completely support every necessary and essential war measure. But, at the same time, must we not realize their ultimate significance after the war is won?

Years and years ago some great man said that, "A government is like anything else—to preserve it, we must love it." Therefore, let us see clearly and fearlessly that those, either abroad or at home, who do not love our government will not preserve it. Let us determine that when this war is over to demand and fight for the restoration of every one of our traditional liberties and privileges which we now so readily and willingly relinquish. And let us determine to cast out that politician, or that business man, or that labor leader, who endeavors to advance his own selfish interests, and capture our Constitutional rights by playing fast and loose with the patriotic instincts of the American people at war.

* * *

Here is another spot where a little truth-telling wouldn't do any harm. Not long ago, the National Resources Planning Board released its report containing a "Cradle to the Grave" security plan for America. To many this report made fine reading. For there isn't any question but that the average man wants a far greater degree of economic security than democracy has given him in the past.

But the program presented by the planners for tomorrow did not reveal the whole truth. The report said nothing about the price of admission either in cash or liberty. So I'd like to raise the question: "How much will it cost—and where is the money coming from?"

All of us are more or less familiar with England's so-called Beveridge Plan. This plan includes an estimate of the financial burden it would entail in 1945 at about $2,800,000,000. Since the population of the Unitd States is not less than two and one-half times that of the United Kingdom, it may be surmised that an American plan of equal money benefits, if initiated now, would in 1945 cost somebody the paltry sum of $7,000,000,000.

This calculation is based on the Beveridge Plan rates, such as the equivalent of $8 a week for a married couple as unemployment benefit or retirement pension, plus $1.60 for each child. As a matter of fact, the payment scale under your present social security setup is well above the proposed Beveridge level. Therefore, it seems probable that instead of a beginning over-all cost of $7,000,000,000 a year, we should enlarge our social horizon to something like twice that dollar dimension.

Incidentally, there are now 40,000,000 taxpayers in this country of ours, and these people are entitled to know not only the glamorous objectives of the bureaucrats, but also that these objectives cannot be reached without somebody paying the bill. And who will pay the bill? Well, there still isn't any Santa Claus.

* * *

As I study and speak of such things as post-war planning and social security, I keep asking myself these questions:

What will be the temper of the American people after the war is over? Will they support the American system of free enterprise, or will they turn away from it?

No man can give categorical answers to these questions. Nevertheless, a base on which to plan must be established. And here is my conception of what American business may count upon from the "Jones, and the Smiths, and the Browns" after Victory.

First—Those who return from war service will be—as Captain Rickenbacker says — the most rugged individualists that we can possibly imagine. They will have little love or admiration for regimentation or new schemes that promise security rather than opportunity.

Second—Those who are working in war plants today are gaining and will retain a wholesome respect for the business processes of America. Who made this country of ours the Arsenal of Democracy? Well, it wasn't the bureaucrats. And it was American business. Do the men and women in your plants and mine realize this? I believe they do. But if they don't, you and I must bring home to them the truth.

Third—The war is causing a return to the middle of the road with respect to capital and labor. Not many years ago capital indulged in excesses that were evil. These have been pretty well washed up. More recently labor has been indulging in excesses that are evil. And these are being washed up.

Fourth—After the war the people of America are going to insist upon throwing into the ashcan most of the plans we hear so much about these days for saving the world!

Please don't think for a minute that I believe we should refuse to furnish aid either to stricken nations or to needy peoples. Nor do I believe that we should do less than our full share in the intelligent adjustment of world affairs looking toward maintenance of peace. Neither do I believe that we should not strive to further sound commercial relations between our country and the other nations of the world.

But I do believe with all the conviction I possess that—in an effort to re-design the whole world overnight—America might easily lose the qualities that should enable us to create, by good example, a world safe for democracy.

Now then, how should we set this good example? I believe that we can do our job most effectively by being exactly what we have proved ourselves to be during 90% of the past 150 years. . . . a people independent, confident and ambitious, and not a people that looks to a paternalistic Government to coddle us and solve all our problems.

However, let's not be too sure of ourselves. Personally, I'm not willing to let nature take its course, and this is the reason why I raise billy-hell in defense of the American system whenever I get the chance.

Not that I believe many Americans want to change the system. My only fear is that the system may be quite unintentionally destroyed—just because so many of our fellow citizens don't understand clearly that welfare isn't possible without wealth and that profits can be taxed away to an extent that makes new jobs impossible and old jobs insecure.

Listen to this—"It is absolutely essential that a business be profitable. I do not mean that the business should not be run at a loss. I mean that the business should be run under such conditions that the owner is willing to *risk his capital* in the business."

This statement was made by the late Mr. Justice Brandeis, and of course he was speaking at the moment about capital. But he might just as well have said the same thing about management and men.

For all three of the component parts of business must have the opportunity to get ahead. If they don't, the American system—and I, along with Mr. Eric Johnston, like to call it by its right name, "Capitalism"—won't work.

For there must always be a motivating force. Today that force is "Beat the Axis." Tomorrow it must be "Opportunity."

Did you ever look up "Opportunity" in the dictionary? I have. And the definition is "a good chance."

To me these words are right in the groove. What we Americans really want is "a good chance," a chance to get ahead—and under our own steam at that. What do you think our factory workers want most? They want to get ahead. They want to become group leaders; the group leaders want to become foremen; the foremen—superintendents, and so on up the ladder.

Of all the bad guesses made in recent years the guess that the average American wants somebody to take care of him is probably the worst. It just isn't so. The average American wants a good chance. And a good chance is utterly incompatible with playing it safe. Opportunity and security do not thrive on each other.

The heralding of these and other fundamental truths must be a part of the war-time effort, and the post-war program of American business. This sounds as though I think that talking will turn the trick, and of course, you and I know it won't. The great essential is good deeds by business. But these are not enough. The good deeds must be described in simple language. And the principles that make the good deeds possible must be explained so that the people will understand.

"Here is the sort of thing we must explain. The reconstruction of the war-torn world will require capital. The only capital available for investment by anyone is private capital. Governments have no capital as such. All they have is the power to take private capital. No government has money to spend except that which it takes or borrows from its citizens.

"So the proposition is this: Shall private enterprise be given the opportunity to rebuild—with its own capital—after the war, or shall the Government do the job? Well, the choice is ours. For we, the people, can still dictate the course of government here in America. And if we insist that faith be placed in American business the road will be cleared for private enterprise. If we don't, the spirit of venture in owners of capital will continue to be paralyzed by the fear that results from lack of faith.

"And I submit that the record—not only since Pearl Harbor but over the years—entitles American business to faith rather than to have government stand over it with a club.

"Today the tide is running against bureaucracy and in favor of private enterprise. It is running against a government of men, and in favor of a government of laws. It is running against regimentation, and in favor of freedom."

But for the sake of all we hold dear, we must not let ourselves be lulled into a false sense of security. For the tide might easily be turned. Therefore, you and I must do everything we can to make this tide roll on and on with ever-increasing power.

If we don't, we must be prepared to forever hold our peace if freedom does disappear.

If you forget everything else I say here today, please remember this. We business men must seize every opportunity to prove by word and by deed that American industry is entitled to the faith of the American people. "We must spread the gospel of free enterprise all over this land. We must be more articulate than we have ever been before. We must be, and we can be, more convincing in defense of business than are those who would again make business the whipping boy of Government."

Otherwise, we will lose the war after we win it. And this would mean "Double Defeat" — not "Double Victory!"

R. W. Brown, President of the Lehigh Valley Railroad, told the delegates, representing New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia and the District of Columbia, that railroads have reached the "bottom of the barrel" in increasing the supply of freight cars through repairs.

"An increased car supply," he said, "can now only occur by the addition of sufficient new equipment to more than offset cars destroyed by general conditions or accident." A similar situation, he added, prevails with locomotives.

Failure of shippers properly to clean cars after unloading was termed by Ralph C. Huntington, Chairman of the Board's less carload transportation committee, as lowering car supply "much more seriously than is commonly known."

The Securities Salesman's Corner

Sell Your Ability As An Investment Advisor

If you wish to build a healthy securities clientele of active retail accounts—sell **your ability** as an investment advisor. If you have to "hem" and "haw" every time you offer a suggestion to the majority of your clients; if you are met with evasions, excuses and suggestions that someone's outside advice is going to be asked before a decision is made; then there is a serious defect in your sales technique.

Now, before you begin to check your own experience and say to yourself: that's me, all right—possibly we had better make it plain that we honestly believe that most securities salesmen are faced with this same problem. So don't feel so badly about it—in our experience the greatest problem we have ever found in building a retail clientele is the reluctance of the average security buyer to pick out a good investment advisor and to stick to him. They jump around like Mexican jumping beans, first with one house, then another, or they subscribe to a service, or they go off on a treasure hunt of their own—most investors do not have a plan or a program of investment. It's the salesman's job to convince his customers that he can give them a plan and a program.

Here's where the selling end of the securities business presents its biggest problem. If you can develop a selling technique that will convince investors that you should be their investment advisor ON ALL OF THEIR INVESTMENT AFFAIRS you've acquired all that you need for success in this business.

We have discussed this problem of convincing the average investor that he should pick out a good securities man and stick to him, with a number of experienced salesmen—here are a few of their ideas on how to go about this most important selling task:

(1) First convince yourself that you know MORE about investment procedure than the people you are calling upon—and if you know this business as you should, this is certainly a truth.

(2) Remember that you are not selling a security—you have nothing to sell but a service. Your job is to help others do a better job of investment than they could do without your help.

(3) Stress your desire to analyse and plan a definite investment program. Show your client that you must know what he wants to do before you can help him. Insist upon his confidence, and unless you can get it, tell him frankly that you won't be able to help him. Show him that the trouble with practically everyone who has made more investment mistakes than they should, has been because they followed a hit-or-miss pattern of investment. Stick to your guns here.

(4) Be ready to spend sufficient time in making calls. For this reason try to determine on the first call if an account is worth while following up. If not, drop it. Select accounts with whom you believe you can get along. Gain their confidence, and after you reached this goal you will then have an account large enough to pay you for your efforts.

(5) Develop certain selling ideas that convey a clear-cut message along these lines: "No matter how much experience and ability an investor may have when it comes to handling his investments, he has other important tasks to take care of as well. On the other hand, you are devoting from eight to ten hours a day to the exclusive work of studying and managing investments." Or something like this is effective: "I WANT YOU TO MAKE MONEY, MR. INVESTOR, BECAUSE I AM SELFISH. When you make money on the securities you purchase from me you will buy other investments that I recommend to you. THE ONLY TIME I CAN MAKE MONEY IS WHEN I SELL YOU SOMETHING. That's why it's important to me that you should profit and benefit from the advice and suggestions that I give to you."

(6) Keep on driving for your objective—to win, never wilt—don't give up—this type of clientele is the most difficult to build but once you have it—you've got something.

NSTA Gives Entire Facilities To Treasury To Aid In Second War Loan Financing

Affiliates From Coast To Coast Join Drive

In response to the Treasury Department's appeal to the securities industry, the National Security Traders Association has offered its entire facilities to the United States Treasury War Finance Committee, and through its 21 affiliated organizations with a total membership in excess of 2,000, is giving 100% cooperation to the many well-organized committees from coast to coast to insure the success of this $13 billion campaign. Each and every member of the N.S.T.A. considers it his patriotic duty to put forth his maximum effort, and is pledged to carry out the plans of the War Finance Committee for a complete coverage of every potential buyer.

Frank P. Meyer

In line with the Associations activities to aid in the War Loan Drive, Frank P. Meyer, of the First of Michigan Corporation, Detroit, Chairman of the N.S.T.A. War Bond Committee, has addressed the following letter to the presidents of the affiliated organizations:

"The Second War Loan drive is under way and it is the patriotic duty of each and every one of us to put forth our maximum effort to insure its unquestionable success. The United States Treasury is counting on the securities industry to give vigorous support to the $13 billion goal it has set for this campaign. The task is a sizable one but it can and will be done, and to this end the National Security Traders Association has volunteered its entire facilities to the United States Treasury War Finance Committee for the duration of the drive.

"As President of your affiliate you should see to it that every member of your Association is at the disposal of the committee in your particular district and giving that committee all the cooperation possible in working out the plans it has laid for a complete coverage of banks, corporations, institutions and particularly individuals. We have an important job to do and with the combined efforts of our 2.000 or more members I am certain that when the final results are tabulated in this history making campaign, the N.S.T.A. will emerge with a record of sales second to none."

Municipal News & Notes

The question of immunity from Federal taxation of income on bonds of all similarly created bodies is at issue in the suit now in progress bearing on the tax-exempt status of the instruments of the Port of New York Authority. Outcome of this action, which will be followed with the trial of a similar proceeding pertaining to tax status of indebtedness of the Triborough Bridge Authority, New York, also may vitally influence the tax status of the approximately $20,000,000,000 of State and municipal bonds presently outstanding, as well as future emissions.

The Port Authority case is being tried before United States Tax Court Judge Clarence V. Opper in the Tax Court of the United States, Grand Central Terminal Building, New York City. Hearings in the action, known as Shamberg vs. Commissioner of Internal Revenue, began on April 19. The suit is sponsored by the Port Authority, in the interests of its bondholders, to test the validity of the Treasury's assessment and collection of $2,493 in deficiency income taxes on income from port bonds held by the estate of Alexander J. Shamberg.

The action was originally started in March, 1941, when the Treasury Department sent deficiency notices to bondholders of the Port Authority and the Triborough Bridge agency, who had not included interest from the bonds in their tax returns. It was stated at the time that the Treasury sought to substantiate its contention that such public corporations are neither States, territories, nor political subdivisions, and that the income from their securities is taxable.

Trial counsel in the Port Authority suit is Julius Henry Cohen, former chief counsel of the Port of New York Authority, and associated with him is Lewis L. Delafield Jr. of the New York municipal law firm of Hawkins, Delafield & Longfellow, and Austin J. Tobin, executive director and former assistant general counsel of the Port Authority. In the Triborough Bridge proceedings, known as the White case, Mr. Delafield is the attorney of record. Acting for the Commissioner of Internal Revenue are Mason B. Leming, assistant chief counsel of the Revenue Bureau, and J. P. Wenchel, chief counsel of the Bureau.

In outlining his case at the initial hearing, on April 19, Julius Henry Cohen contended that the Port Authority is a governmental subdivision falling within the definition of such bodies under the language of the Federal Revenue Act. Federal taxation of State and municipal bonds, he argued, "would be an interference with State and local governments and a clog to their functions." Mason B. Leming, Treasury counsel, argued in rebuttal that the Port Authority is not a governmental subdivision, since it does not exercise sovereign powers of the State.

Following the introduction of the first witness in the proceedings, Judge Opper indicated that he might wish to divorce the question of the tax-exempt status of the Port and Triborough bonds, under the language of the Federal Revenue Act, from the broad constitutional question involved in the whole subject of the immunity of State and municipal bonds from Federal taxation. This latter phase of the case may have to be tried in Washington, the jurist implied.

Two witnesses for the Port Authority testified at the initial hearing on April 19—R. Van Cleef of C. F. Childs & Co., Inc., New York, and C. W. Laing Jr. of John Nuveen & Co., Chicago. Object of their testimony was to demonstrate the existence and extent of the price differential between municipal securities and taxable securities due to the tax-exempt status of the former.

Mr. Laing, who was qualified as an expert in the field of municipal financing, was called again on Tuesday. He testified concerning a number of issues of municipal and public revenue securities with which he or his firm have been prominently identified. Mr. Laing demonstrated the importance of the tax-exempt feature by citing a number of instances where the borrower could not dispose of taxable obligations.

Another witness was Robert C. Webster of Webster & Gibson, of Nashville, Tenn., who substantiated the views expressed by Mr. Laing and testified concerning a comparative study he had made of high-grade corporate securities, taxable U. S. Government 2½s and long-term New York State bonds.

Mr. Webster found a differential of 20 basis points between corporates and taxable Treasurys and a differential of over 100 basis points between corporates and New York States. He expressed the opinion that if New York State bonds had the same status as to income taxation as taxable Treasurys, New York State bonds would sell at yields midway between the yield on high-grade corporates and taxable Treasurys.

Expanding the point, Mr. Webster, in response to questioning, expressed the belief that a municipality able to borrow on tax-exempt 4s would have to pay a rate of 6% on taxable securities and in the case of a 6% tax-free credit the return on taxables would have to be 8½% or more.

Regardless of the outcome of the present case, it is destined for ultimate review by the United States Supreme Court, although this is not likely to take place until sometime in the latter part of 1944, according to all indications. Before the Supreme Court is asked to accept the case, it will first be continued before the United States Circuit Court of Appeals.

New York Bonus Bond Bill Seen As Tax Limit Evasion

A bill to permit municipalities to issue bonds so that they may pay salary bonuses to employes was branded April 5 by the Citizens Public Expenditure Survey not only as a flagrant violation of the pay-as-you-go principle in municipal finance but as an attempt to evade the State constitution.

The bill permits any county, city, town, village or other organized district to issue five-year serial bonds to pay salary bonuses up to $300 in each fiscal year for any of its employees. The bill acknowledges that many municipalities are unable to pay such salary bonuses out of current taxation, without undue hardship on the taxpayers, hence it proposes going in additional debt at this time.

Many municipalities are close to the constitutional limit which prevents taxes for current expenses to exceed 2% of the total assessment. The Mahoney-Ehrlich Bill would permit these municipalities to escape this tax limit by issuing bonds to meet what is customarily considered a current expense.

The Survey is directing the attention of taxpayer organizations throughout the State to this bill (Assembly introductory 1638) which has gone to Gov. Dewey for action.

During the Assembly debate on the salary bonus bill, Assemblyman Abbot Low Moffat, Chairman of the Ways and Means Committee, opposed the bill and declared it would: "Open the door to catastrophe in every municipality in the State. The governing board in every locality would be under pressure to issue bonds to provide salary bonuses with the result that every municipality would be disastrously affected."

Under the Constitution the amount can be raised by tax on real estate in any fiscal year is now limited in the larger cities to 2% of the average assessed valuation. This limitation will be effective after Jan. 1, in all cities and villages. Excluded from the limitation are taxes levied for debt service and when specific permission is given by special legislation, for school purposes.

Approval by Governor Dewey of the Mahoney-Ehrlich salary bonus bill, the Citizens Public Expenditure Survey warned, would result in mounting costs to taxpayers for local debt service during the next few years while they are attempting to pay the highest federal taxes in history. The bill, if approved, might also open the door to a multitude of other schemes to finance through borrowing where current expenditures for the same purpose are blocked by the constitutional tax limit.

House Committee To Study Land Acquisition

The House Public Lands Committee plans to investigate the problem of taxation of public lands by the States, Chairman Peterson, Democrat, Florida, said recently.

Peterson said figures presented his committee showed the Army had acquired withing the past two years 18,789,290 acres and the Navy more than a million acres of lands which had formerly yielded important revenues to the States.

"In my State alone," Peterson told reporters, "the Government has taken over hotels and plant facilities wholesale and it has now become a problem to get enough money through taxation to provide maintenance for schools, road districts and other State services."

Peterson said a resolution presented his committe by Representative White, Democrat, Indiana, would allow a thorough investigation of the question, including consideration of bills to authorize State taxation of Federal lands.

Major Sales Scheduled

The calendar of future offerings of $500,000 or more, at this writing, consists of the $5,000,000 Philadelphia School District, Pa., bonds, for which bids will be opened on April 30. At the district's last sale, in December, 1939, award was made to the Pennsylvania School Employees' Retirement Board, the second high bidder being a syndicate headed by Lehman Bros. of New York.

Mexico To Sell Gold To Check Inflation

Free purchase of gold in exchange for silver coin and bank notes will soon be permitted by the Banco do Mexico, in an effort to halt inflation, according to a special dispatch to the New York "Times" on April 16. The bank has drawn on its metallic reserve at New York, including the old 10-, 20-, and 50-peso gold coins, Mexican officials state, in order to meet the demand, will issue one-peso bank notes to economize on the cost of silver transportation, and will put another 50,000,000 one-peso silver coins in circulation. The gold coins to be placed on sale will contain 37.5 grams of pure gold.

Calendar of New Security Flotations

OFFERINGS

NATIONAL FUEL GAS CO.

National Fuel Gas Co. has filed a statement for 402,042 shares of capital stock without par value. The shares are already issued and outstanding.

Address—30 Rockefeller Plaza, New York City.

Business—Is a public utility holding company owning stock of a group of operating companies and is not itself an operating company. Subsidiaries are engaged principally in the production and purchase of natural gas, purchase of by-product coke oven gas and to a small extent the production of manufactured gas, and in the transmission, distribution and sale, largely at retail, of natural and mixed gas.

Underwriting—Dillon, Read & Co. heads the underwriting group. Others will be supplied by amendment.

Offering—Price to the public will be supplied by amendment. The shares registered are outstanding shares owned, and being sold to the underwriters, by The Rockefeller Foundation. The Foundation owns 793,060 shares of the company's capital stock and is selling the shares being offered in order to reduce its ownership of such stock to less than 10% of the total outstanding shares, in view of the provisions of the Public Utility Holding Company Act of 1935.

Proceeds—Proceeds from the sale will go to The Rockefeller Foundation as the selling stockholder.

Registration Statement No. 2-5116. Form S-1 (3-29-43).

In an amendment filed April 14 to its registration statement National Fuel Gas Co. lists a nation-wide group of underwriters which will offer 412,042 shares of the company's capital stock, without par value. The shares are outstanding shares owned, and being sold to the underwriters by the Rockefeller Foundation. The company will not receive any proceeds from the sale.

The underwriters with the number of shares each has agreed to purchase follows: Dillon, Read & Co., 30,042; A. C. Allyn & Co., Inc., 8,000; Arnold and S. Bleichroeder, Inc., 2,000; Bacon, Whipple & Co., 6,000; Baker, Weeks & Harden, 6,000; Bear, Stearns & Co., 7,000; A. G. Becker & Co., Inc., 7,000; Blyth & Co., Inc., 18,000; Central Republic Co., Inc., 7,000; E. W. Clark & Co., 3,000; E. W. Clucas & Co., 2,500; Coffin & Burr, Inc., 7,000; Coggeshall & Hicks, 2,500; Paul H. Davis & Co., 6,000; Dixon & Co., 2,500; Doolittle, Schoellkopf & Co., 5,000; Fahey, Clark & Co., 3,000; Goldman, Sachs & Co., 10,000; Graham, Parsons & Co., 5,000; Granbery, Marache & Lord, 3,000; Harris, Hall & Co., Inc., 6,000; Hemphill, Noyes & Co., 8,000; Henry Herrman & Co., 2,000; Hornblower & Weeks, 7,000; E. F. Hutton & Co., 5,000; W. E. Hutton & Co., 7,000; Ingalls & Snyder, 7,000; Jesup & Lamont, 11,000; Johnston, Lemon & Co., 2,500; Kebbon, McCormick & Co., 6,000; Kidder, Peabody & Co., 18,000; W. C. Langley & Co., 10,000; Lee, Higginson Corp., 7,000; Lehman Brothers, 10,000; Laurence M. Marks & Co., 5,000; A. E. Masten & Co., 3,000; McDonald-Coolidge & Co., 5,000; Merrill Lynch, Pierce, Fenner & Beane, 18,000; Morgan Stanley & Co., 25,000; Maynard H. Murch & Co., 3,000; Newhard, Cook & Co., 4,000; Otis & Co., 3,000; Paine, Webber, Jackson & Curtis, 10,000; Reinholdt & Gardner, 4,000; Riter & Co., 7,000; E. H. Rollins & Sons, Inc., [illegible]; L. F. Rothschild & Co., 7,000; Schoellkopf, Hutton & Pomeroy, Inc., 7,000; Shields & Co., 7,000; Stix & Co., 4,000; Spencer Trask & Co., 7,000; Tucker, Anthony & Co., 9,000; Union Securities Corp., 10,000; Wertheim & Co., 7,000; Wisconsin Co., 7,000, and Harold E. Wood & Co., 4,000.

Offered April 20, 1943, at 10¾ per share by Dillon, Read & Co., and associates.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, APRIL 25

SYLVANIA ELECTRIC PRODUCTS, INC.

Sylvania Electric Products, Inc., has filed a registration statement for 175,000 shares of common stock, without par value, subject to reduction depending on offering price and other factors.

Address—500 Fifth Ave., New York City.

Business—Prior to the development of its present wartime production manufactured and sold to the public electric incandescent lamps, radio tubes, fluorescent lamps and fixtures and other electronic products. At the end of 1942 about 85% of its products were going directly or indirectly into the war effort.

Offering—Price to the public will be supplied by amendment.

Underwriting—Paine, Webber, Jackson & Curtis; White, Weld & Co.; Lee Higginson Corp.; Estabrook & Co.; Merrill Lynch, Pierce, Fenner & Beane; Putnam & Co.; Graham, Parsons & Co.; Whiting, Weeks & Stubbs, Inc.; Brush, Slocumb & Co.; Yarnall & Co.; Minsch, Monell & Co.; Mackubin, Legg & Co.; Stein Bros. & Boyce; Herbert W. Schaefer & Co.; Van Alstyne & Co., and Wyeth & Co.

Proceeds—Upon issuance of the common stock company plans to call for redemption on 30 days' notice all of the outstanding 4½% cumulative convertible preferred stock, at the redemption price of $46 per share, plus accrued dividends. At the close of business March 23, 1943, there were outstanding 80,032 shares of preferred subject to redemption. The preferred is convertible at the option of the holders into common stock at any time up to the close of business on the third business day prior to the redemption date. Until the expiration of conversion rights the company states it is impossible to tell how much preferred will remain unconverted to receive the redemption price. Any balance of net proceeds not required for the redemption, so far as deemed advisable by the management, will be added to working capital with the expectation that it will be used upon and after termination of the war to meet conversion to a peacetime basis. Any proceeds not required for redemption and not added to working capital will be applied toward the purchase or redemption of a part of the company's outstanding 3¼% sinking fund debentures due June 1, 1957.

Registration Statement No. 2-5122. Form S-1 (4-6-43).

MONDAY, APRIL 26

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., has filed a registration statement for $38,000,000 first mortgage bonds, series E, 3¼%, due May 1, 1973.

Address—110 North Illinois Street, Indianapolis, Ind.

Business—Public utility operating in the State of Indiana and is engaged principally in the production, generation, manufacture, purchase, transmission, supply, distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Offering—Bonds to be offered for sale at competitive bidding under Rule U-50 of the Commission. Price to the public will be supplied by post-effective amendment.

Underwriters—Names of underwriters and amounts of underwriting will be supplied by post-effective amendment.

Proceeds—To be applied toward the redemption, within 40 days after the issuance and sale of series E bonds, of $38,000,000 face amount of Public Service Co. of Indiana, first mortgage bonds, series A, 4%, due Sept. 1, 1969, at 106¼% of the face amount which will require $40,375,000, exclusive of accrued interest and expenses. Any additional moneys will be paid out of other funds in the company's treasury.

Registration Statement No. 2-5123. Form A-2 (4-7-43).

WEDNESDAY, APRIL 28

INTERNATIONAL MINERALS & CHEMICAL CORP.

International Minerals & Chemical Corp. has filed a registration statement for 184,861 stock purchase warrants and 184,861 shares of common stock, par value $5 per share.

Address—20 North Wacker Drive, Chic.

Business—Engaged, directly or through subsidiaries, in the mining and sale of phosphate rock and preparation and sale of complete or mixed fertilizers.

Underwriters—Hornblower & Weeks and Hallgarten & Co. may be deemed to be underwriters as defined in the Securities Act of 1933.

Offering—A total of 150,000 stock purchase warrants are to be offered to the public at prices to be fixed by amendment. If the balance of 34,862 stock purchase warrants are offered the terms will be supplied by post-effective amendment. All of the present outstanding stock purchase warrants of the company were originally acquired by the First York Corp. Hornblower & Weeks and Hallgarten & Co. purchased 25,000 of the stock purchase warrants from First York Corp. and have the right to purchase additional warrants.

Proceeds—The company will not receive any of the proceeds of the stock purchase warrants being offered, but will receive $8.125 per share for each share of common stock, if any, sold through exercise of stock purchase warrants. Any proceeds received by the company will be added to the working capital.

Registration Statement No. 2-5124. Form S-1 (4-9-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN CASUALTY CO. OF READING, PA.

American Casualty Co. of Reading, Pa., has filed a registration statement for 50,000 shares of capital stock, par value $5 per share.

Address—607 Washington St., Reading, Pennsylvania.

Business—Conducts general casualty insurance business.

Offering—The shares of common stock are being offered at $10 per share by the company to its stockholders of record April 15, 1943, in the ratio of one new share for each three shares held on record date. The right to subscribe on the part of the stockholders will expire May 15, 1943.

Underwriting—In the event that all of the stock is not subscribed for by stockholders, the company may endeavor to make an offering to the general public through underwriters.

Proceeds—Proceeds are to be used to increase the capital and surplus of the company to enable it to retain a larger portion of its standard limit business without resorting to reinsurance. Net proceeds will be used for the purchase of securities which are qualified as legal investment for insurance companies organized under the laws of the Commonwealth of Pennsylvania.

Registration Statement No. 2-5114. Form S-1 (3-26-43).

Registration effective 5:30 p. m. EWT on April 10, 1943.

AMERICAN VITRIFIED PRODUCTS CO.

American Vitrified Products Co. has filed a statement covering the registration of $857,500 first mortgage 5% sinking fund bonds of Universal-American Corporation, the continuing company in a proposed merger.

Address—1500 Union Commerce Building, Cleveland, Ohio.

Business—Manufacture and sale of sewer pipe, segment forms, flue lining, wall coping, hot top brick, drain tile, joint compound, chemical stoneware and other clay and cement products.

Underwriting—S. K. Cunningham & Co., Inc., Pittsburgh, has been retained by American to assist in the solicitation of securities in the proposed merger.

Offering—Plan proposes merger of Universal Sewer Pipe Corp. into American Vitrified Products Co., with the continuing company to be known as Universal-American Corp. Universal owns 70,000 common shares of American out of 177,029 common shares outstanding. In addition to the bonds registered, Universal-American will be authorized to issue 250,000 shares of the par value of $2 each. Proposed agreement of merger which has been approved by the boards of both companies provides for the following exchange of securities:

First mortgage bonds of Universal-American will be exchanged for preferred shares of American on the basis of $50 face amount of bonds for each preferred share of American. One share of Universal-American will be exchanged for each common share of American; and 1¾ shares of Universal-American for each class A and each class B share of Universal. Holders of first mortgage 6% sinking fund bonds of Universal will be asked to exchange their bonds for a like face amount of first mortgage 5% sinking fund bonds of Universal-American upon completion of the merger. None of the first mortgage bonds will be offered or sold for cash.

Purposes—For consolidation.

Registration Statement No. 2-5104. Form S-1 (3-2-43).

Registration statement withdrawn April 6, 1943.

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common stock, no par value.

Address—120 South La Salle Street, Chicago, Ill.

Business—Company is engaged in the building material business.

Underwriting—There are no underwriters.

Offering—The 75,000 shares of common will be offered by the company at $10.50 per share only to a selected group consisting of employees of the company, including officers and directors and those serving in a professional or advisory capacity and a limited group of persons having long standing business relations with the company to be selected by the board of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of common stock, a substantial group of key employees of the company including certain officers and directors, joined in the formation of a syndicate with a view to the purchase of a large block of outstanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to issue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of $10.50 per share. The syndicate has formed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43).

Amendment filed April 9, 1943, to defer effective date.

CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no par value.

Offering—(See Celotex statement No. 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate (mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common stock.

Purpose—To form voting trust.

Registration Statement No. 2-5113. Form F-1 (3-24-43).

Amendment filed April 9, 1943, to defer effective date.

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. has filed a statement with the SEC for 242,664 shares of common stock, without nominal or par value. The stock is already issued and outstanding.

Address—900 Fannin St., Houston, Tex.

Business—Operating public utility.

Offering—Price to the public to be supplied by amendment.

Underwriting—The shares to be offered are owned by National Power & Light Co. Statement which was filed by Houston says that latter has been advised by National that no firm commitment to purchase the securities registered has been made.

Proceeds—Proceeds from sales will go to National Power & Light Co. The proposed sale is part of the program of National to liquidate in compliance with an order of the Securities and Exchange Commission. As part of this program National proposed to divest itself of its entire holdings of Houston common through the exchange of its holdings of Houston common for its own $6 preferred on basis of two shares of Houston common for one share of National preferred. The total amount of Houston common offered was 500,000 shares, of which 257,336 shares were accepted in exchange to Dec. 31, 1942, termination of the offer. The stock being registered represents the balance of National's holdings after the termination of the exchange offer.

Registration Statement No. 2-5117. Form A-2 (3-30-43).

Amendment filed April 16, 1943, to defer effective date.

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address—Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

Amendment filed April 17, 1943, to defer effective date.

STOVALL PROPERTIES, INC.

Committee for Holders of Class B first mortgage 5% gold bonds of Stovall Properties, Inc., has filed a registration statement with the Securities and Exchange Commission for certificates of deposit for $956,500 of such first mortgage real estate bonds.

Address—Place of business of original issuer, Tampa, Fla. Address of committee, 711 Maritime Building, New Orleans, La.

Business—Operation of office buildings, and rental of store properties owned by it.

Purpose—In addition to the $956,500 Class B 5% mortgage bonds there are outstanding $8,125 Class A 6% first mortgage gold bonds. Both classes of bonds were dated Sept. 1, 1931, with maturity date Sept. 1, 1941.

Both classes of bonds bear interest at the rate of 8% after maturity. According to the registration statement the deposit of securities is desired in order to foreclose the mortgaged and/or pledged property, and, if need be, to bid in the property at the foreclosure sale for the benefit of the bondholders.

So far as is known to the committee, no steps have been taken by anyone to prepare a plan of readjustment or reorganization. Securities are to be called for prior to the proposal of a plan because from all information available, there is little possibility of any feasible plan of reorganization. The committee is of the opinion that the only feasible mode of procedure is to foreclose the mortgage, obtain title to the property either in the committee or in a corporate or personal nominee of the committee to operate the property for the benefit of the depositing bond holders and to seek a purchaser for the same. The members of the committee have found that prospective purchasers for the mortgaged property are unwilling to negotiate until title has been obtained through foreclosure. The deposit agreement is dated Nov. 25, 1942. The committee has not as yet fixed any limit to the period within which the bonds will be accepted.

Registration Statement No. 2-5083. Form D-1. (1-18-43).

fer effective date.

Amendment filed April 13, 1943, to defer effective date.

YORK CORRUGATING CO.

York Corrugating Co. has filed a statement with the SEC for 50,000 shares of common stock, $1 par value. The stock is presently issued and outstanding and does not represent new financing.

Address—Adams Street and Western Maryland Railroad, York, Pa.

Business—Normal manufacturing facilities are primarily designed for pressed, drawn and stamped metal products. About 95% of the company's manufacturing facilities are now devoted to war production.

Underwriting—Floyd D. Cerf Co., Chicago, is named principal underwriter.

Offering—Offering price to the public is $6.50 per share. Selling stockholders are Western National Bank of York, Pa., as trustee under the Benjamin S. Taylor Trust 28,013 shares, and Dr. Charles P. Rice, York, Pa., 30,750 shares.

Proceeds—To selling stockholders.

Registration Statement No. 2-5118. Form S-2 (3-30-43).

(This list is incomplete this week)

Hanes Committee Report Cites Continued Loss Of Trade By New York City

(Continued from page 1492)

country. This is particularly true in the case of the clothing and printing industries, which are competing in many cases with more up-to-date plants in other parts of the country."

Decentralization of Population

"The development of rapid transit, subways, parkways, tunnels, bridges and the automobile have all brought about tremendous shifts in the residential population of the City. This transfer of New York City's workers from living quarters in the City to the suburbs has been a serious factor in reducing the income of real estate on Manhattan Island. It has left behind blighted areas that will no longer support taxes levied upon them. It has also taken much revenue from the retail establishments in New York City. Many of those who derive their income from their work in the City spend an increased proportion of it outside the City where they have their homes."

The Decline of Wall Street

"A major factor influencing business and employment in the City has been the decline of the financial community during the past ten years. The business of Wall Street is one of New York City's principal industries. Since 1933, regulations affecting the securities markets have been carried out to a degree that has profoundly affected the economic welfare of the entire City. The result has depressed real estate values at the lower end of Manhattan and has injured all trade and commerce in the City."

Among the committee's recommendations were the following:

"The entire legal code concerning incorporated business needs to be examined most carefully and streamlined to meet modern-day conditions. We believe that the corporation laws should be so revised that corporations may be attracted into the State of New York. There are many companies whose headquarters are in New York, and which would rather pay their franchise taxes to this State. Oftentimes, we are told, they have been prevented from incorporating in New York State because of the antiquity of the code affecting corporations. Since the daily life of every citizen in New York State is affected by business, we cannot urge too strongly the desirability of creating the feeling that New York State and its executives welcome wholeheartedly any kind of legitimate new business for our people.

"Since we are all agreed that New York City represents a segment of New York State which is of such vast importance to the whole state, we recommend that the studies of tax problems now being undertaken at the direction of the Governor give particular attention to the budget and tax problems of the city. We urge that further study be made of this whole problem before the Legislature extends to the city further authority to levy taxes."

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Fashion Park, Incorporated, Earnings Up; Peace Prospects Excellent

Makers of men's clothing are looking forward to what they believe will be an unprecedented boom for the industry when our 11,000,000 soldiers begin stepping back into civilian clothes after the war.

However, Fashion Park, Inc., has not been forced to wait for this development in order to show a substantial increase in its business. Net income for the year ended Nov. 30, 1942, rose to $237,283.20 from $44,865.56 in the preceding year. And these earnings do not include the income of Weber & Heilbroner, Inc., a wholly-owned subsidiary operating men's retail clothing stores. The company estimates that, with the earnings of the subsidiary included, net profit for the last fiscal year amounted to "at least $300,000."

Fashion Park, Inc., organized in 1938 to take over the business of Allendale Corp., manufactures men's clothing in its Rochester plant and distributes its products widely under well-established brand-names. Capitalization now consists of 32,957 outstanding shares of $3.50 cumulative preferred stock and 59,793 outstanding shares of common stock. The following figures give a condensed version of the company's balance sheet as of the fiscal year-end, Nov. 30, 1942:

ASSETS	
Cash	$347,635.77
Receivables	1,183,235.77
Inventories	1,264,916.30
Miscellaneous	68,756.15
Total current assets	$2,864,543.99
Fixed assets (net)	604,005.70
Invest. in sub., etc. (net)	932,788.46
Deferred charges	33,450.79
Goodwill	1.00
	$4,434,789.94
LIABILITIES	
Notes payable	$1,200,000.00
Accounts payable	143,543.71
Reserve for taxes	106,201.09
Total current liabilities	$1,449,744.80
Capital stock and surplus	2,985,045.14
	$4,434,789.94

The extent of the improvement which has taken place over the past year in the financial position of the company is indicated by the fact that, in addition to paying off in full its funded debt of $164,785, notes payable to banks have now been reduced to $800,000 from the figure shown in the above statement. Another revealing sidelight on the above figures is the statement of the certified public accountant which covers the company's year-end report. We quote: "Sales invoices subsequent to the close of the period were examined and the selling prices thereon were found to be substantially in excess of the inventory valuation of the finished goods." This suggests a conservative valuation of inventories as shown in the balance sheet.

The attraction of the $3.50 preferred stock in this situation arises from its greatly strengthened position and the possibility that dividend payments will be resumed in the not too distant future. As of April 1 dividend arrears totaled $17.50 per share. Against this the stock now has a book value of approximately $91 per share, and the net current assets, as shown above, were equivalent to $43 per share. Earnings last year, excluding subsidiary company profits, amounted to $7.19 per share.

R. D. Leahy A Partner

Raymond D. Leahy became a partner in Leahy Bros., 120 Greenwich Street, New York City, members of the New York Curb Exchange. Mr. Leahy in the past was a partner in the firm.

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J. Reitenbaugh Heads Goodbody Co. Dept.

John S. Reitenbaugh

John S. Reitenbaugh, for many years connected with the investment field in executive capacities, has become associated with Goodbody & Co., 115 Broadway, New York City, as Manager of their Investment Securities Department. This department handling retail sales, including unlisted issues, will be greatly expanded in personnel.

Goodbody & Co., established 52 years ago, are members of the New York Stock Exchange and other principal exchanges. The head offices are in New York and Chicago, with a private wire system to branches in 19 cities. The firm maintains an unusually large research department, an unlisted trading department, Canadian securities department and investment trust trading department.

E. B. Grubb To Run As Independent Candidate For N. Y. S. E. Board

A petition nominating E. Burd Grubb of Coggeshall & Hicks as an independent candidate for the Board of Governors of the New York Stock Exchange was filed on April 16 with the Exchange.

Mr. Grubb, a Governor whose term expires this year, was not renominated by the Exchange's Nominating Committee, but under the Constitution members may nominate other candidates by petition. Mr. Grubb, former President of the New York Curb Exchange, has been a member of the Stock Exchange since 1935.

The official slate of the May 10 election was given in our issue of April 15, page 1381.

Cyril de Cordova Dead

Cyril de Cordova, member of the New York Stock Exchange and partner in Cyril de Cordova & Bro., 25 Broad Street, New York City, died at his home of a heart ailment after an illness of several weeks.

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The Business Man's Bookshelf

Army Reports to the Cotton Industry, The—Transcript of proceedings of the National Cotton Conference—Forum in New York City—New York Cotton Exchange, New York City—paper.

Home Mortgage Loan Manual—American Bankers Association, 22 East 40th Street, New York City—cloth—thumb-indexed.

Investor Looks at 1943, An—E. W. Alex & Co., Inc.—Tarrytown Press, P. O. Box 157, Tarrytown, N. Y.—paper—15 cents—free to public libraries and non-profit institutions.

Postwar Investment Aspects of the Aluminum and Magnesium Industries—E. W. Axe & Co., Inc.—Tarrytown Press, P. O. 157, Tarrytown, N. Y.—paper—25 cents—free to public libraries and non-profit institutions.

Post-War Planning in Britain—Unofficial Post-War Planning 1939-1943 — British Information Services, 30 Rockefeller Plaza, New York City—paper.

Student Folkways and Spending at Indiana University, A Study in Consumption—Mary M. Crawford — Columbia University Press, Morningside Heights, New York City—cloth—$3.50.

Irving Stein Joins L. D. Sherman Co.

Irving Stein has joined the trading department of L. D. Sherman & Co., 30 Pine Street, New York City, as manager of the industrial stock division. Mr. Stein was formerly in business as Irving Stein & Co. In the past he was a partner in Morris Stein & Co.

Chicago No. Western Decision and What The Cash Means

An interesting circular discussing the Chicago North Western Decision and what the cash means, with particular reference to the new and old securities of this carrier, has been prepared for distribution by Pflugfelder, Bamp- & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of this circular may be had from the firm upon request.

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Robert H. Radsch will become a partner in Gude, Winmill & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, as of May 1.

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Volume 157 Number 4170
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The Financial Situation

"Can Great Britain depend upon us?" Not for assistance in winning the war, for that issue appears not to have been raised by any one, but in maintaining the peace. This question is being asked repeatedly by a number of American citizens who have of late taken it upon themselves to show us the way in world politics. It is obvious that many of them have serious doubts of us, and some of them at least are even now lugubriously telling the American people that warranted doubts of the same sort in the minds of British statesmen are driving them "into the arms" of Russia. Thus, they warn, if Great Britain and Russia presently arrive at some definite understanding, particularly about the management of post-war Europe, which is not to our liking we shall have no one to blame but ourselves. So much, they say, our behavior after the last war, and the skepticism now existing in this country concerning perpetual peace are already threatening to do.

In Need of De-Bunking

This hue and cry is badly in need of "de-bunking." Can Great Britain depend upon us? One might ask with fully as much right: "Can we depend upon Great Britain?" Certainly we should not be wide the mark were we to ask: "Can we depend upon Russia?" By the same token Great Britain could ask: "Can we depend upon Russia?" And Russia may very well have been asking herself whether she can depend upon either Great Britain or the United States. Those who are forever asking whether Great Britain can depend upon us appear to be suffering from the delusion that the one and only stumbling-block in the path to eternal

(Continued on page 1499)

Clare Luce Asks Heavier Taxes On Rich; Sees Draft Of Women

Representative Clare Boothe Luce, speaking to her Fairfield County constituents on April 17, at Bridgeport, Conn., said that the National Administration is not yet waging a "hard war" and assailed the handling of the manpower situation and politics in Washington and said "There is no more important war bill than a total tax bill"; according to a special dispatch on April 17 from Bridgeport, Conn., to the New York "Times", which added:

To control inflation, she said, "we must bring out a tax bill adjusted not to people's wants but their actual needs; those who can afford it, the well-to-do and the rich, must be taxed almost to the constitutional point of confiscation."

Clare B. Luce

At another point in her address Mrs. Luce declared that if it became necessary to draft labor, "I believe we must also devise a bill to draft all capital, profits and plants."

The new Representative, addressing a crowd of 1,200 at the Klein Memorial Auditorium here in her first formal speech in her home district since going to Congress, declared that "battle casualties are no index in themselves that we are fighting a hard war; they simply are proof that we are fighting a bloody one."

Assailing "the incredible eighteen months' delay in the escort vessel, blimp and submarine program," and declaring that "our men and materials continue to get lost before they get to the battlefields," she asked, "Is not some one in authority fighting a lazy man's war, a stupid man's war, a soft war at the expense of our sons' lives and our nation?"

Mrs. Luce continued that while "the War Department has done on the whole a fine job and General Marshall is a great general, political pressures plus indecision in high places have badly botched the administration of the Selective Service Act by which General Marshall must raise his Army."

She predicted that nevertheless "we will get the Army we need," but whether the raising of an effective Army will leave effective manpower on the home front for industry and agriculture "is still a large question."

After 18 months of war, Mrs. Luce said, "the War Manpower Commission apparently does not know, nor does Mr. McNutt, exactly how many men are needed for what and where and how they may be procured or put to work short of actual conscription."

While "bitterly resenting the necessity" for the Austin-Wadsworth bill for the drafting of war labor, she said, she would vote for

(Continued on page 1503)

Morgenthau Drops Request For Extension Of Power To Devalue Dollar Further

Action Follows Senate's Ending of President's Power To Devalue

Secretary of the Treasury Morgenthau, in testifying before the House Committee on Coinage, Weights and Measures on April 19, urged only that a two-year extension of the $2,000,000,000 Stabilization Fund be approved in view of the Senate action on April 16 refusing to continue the dollar devaluation powers of the President beyond June 30, when the present law expires.

On April 16 the Senate unanimously voted to continue for two years the $2,000,000,000 Stabilization Fund but eliminated from the bill the President's authority to devalue the dollar.

Sec. Morgenthau

Indorsement of the Senate action by the House was forecast on April 20, when the House Coinage Committee considered the measure as it was received in the Senate, and did not put back the dollar-devaluation powers stricken out by the Senate. In further reporting the action of the House Committee on April 20, special Washington advices to the New York "Times" said:

"After five amendments to the Senate bill, continuing the stabilization fund authority, had been offered by members at an executive meeting this morning, all with the purpose of prohibiting the Executive Department from relinquishing any of the $2,000,000,000 for an international fund, such as that proposed by the Treasury in its current discussions with British technicians, Representative Somers, Chairman, put the matter up to the Treasury Department and obtained its approval for appending the proposed prohibition.

"Chairman Somers observed that the amendments offered today were 'a straw in the wind indicating that Americans will not accept any international bank.'

"The Treasury's position was that Secretary Morgenthau had stated repeatedly that if an international agreement was reached, and it became necessary to put up a United States contribution he would first go to Congress for the appropriate authority.

"Chairman Somers said the most likely wording of the amendment which the committee would adopt tomorrow would be similar to that proposed by Representative Reed of Illinois to the effect that the fund 'shall not be used in any manner whereby direct control and custody thereof passes from the President and the Secretary of the Treasury.'

"When Secretary Morgenthau discussed the Treasury's tentative international currency stabilization plan with reporters a few weeks ago, Harry White, his monetary adviser, said that a contribution by the United States of about $2,000,000,000 toward the

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WMC Curbs Transfer Of Millions Of Workers In Essential Industries

Regulations restricting the transfer of an estimated 27,000,000 workers in 35 essential industries and on farms were issued on April 17 by Paul V. McNutt, Chairman of the War Manpower Commission. The regulations, approved by Economic Stabilization Director James F. Byrnes, are in accordance with President Roosevelt's "hold-the-line" anti-inflation order of April 8, in which Mr. McNutt was authorized to prohibit the transfer of workers for higher pay except as such transfers are in the interest of the war effort.

Mr. McNutt issued the following interpretative statement concerning the regulations:

"These regulations are a sincere attempt on my part to fulfill the intention of Section 3 of the Executive Order issued by the President on April 8. The intent of that section, as we have interpreted it, is to prohibit the transfer of workers for higher pay except as such transfers are in the interest of the war effort.

"For some time the War Manpower Commission has been promoting voluntary control over transfer of workers through what is known as employment stabilization plans. The basic purpose of these plans is to see that workers are placed in positions which will fully utilize their skills to the best interests of the war effort.

"These plans spell out those conditions of transfer which are in the interests of the war effort. In general they say specifically that workers cannot transfer from

(Continued on page 1501)

From Washington Ahead Of The News

By CARLISLE BARGERON

This correspondent watched a ship launching in a Pacific Coast shipyard the other day. Later, a little 17-year-old girl who had presented the flowers to the sponsor was introduced to the gathering. She was a ship fitter, it was explained, and that very day either Hershey or McNutt had announced that 40% of the men in the yard of draft age, would be taken for the armed forces before the first of the year. So, according to the shipyard manager's speech, we were to come increasingly to depend on young women of this type for war production. So we should give her a hand. We did.

Then I got to prying around to find out just what this young lady, weighing less than 100 pounds, did as a ship fitter. Well, it seems that when a hoist lifts a big steel plate, weighing a ton or more and dangles it over the place it is to go, there is a crew to turn it this way and that, to fit it just right. Manifestly, the hoist carries the weight, the crew of 10 or 20 have little difficulty in shoving it around. This young woman is one of this 10 or 20 and for being that she receives a good $30 a week. There are thousands and thousands of youngsters doing similar work and receiving similar pay all over the country.

It seems that her Daddy has a step-ladder family and within a range of four years she has two sisters doing the same thing. They add $180 a week to the family income. But Mr. Roosevelt is making a valiant fight, one of the most courageous and heroic a gullible populace has ever seen a man make, in all the annals of men, to prevent this girl's Daddy, or his counterpart, from getting an increase in wages of $5 a week. This in order to prevent inflation. As I understand it, in fact, the problem of preventing inflation is even more simple. If we can just hold John L. Lewis in line we will prevent it.

One of the delightful things about a war is the orgy of insanity that goes with it.

* * *

Ever since the death of the scientist Freud, your correspondent has sought to carry on his probings into people's complexes, in a smaller way. Thus I am able to report Draft Director Hershey's

(Continued on page 1511)

Editorial—

British Price Control

By NORMAN CRUMP

[Editor's Note—This article is carried, as was a previous one by the autnor in our Feb. 25, 1943 issue, because of our belief that our readers would be interested in knowing how today's war economy has affected the citizens of Great Britain. In this article, the author refrains from mentioning the extent to which the control laws are violated or discussing the effect such laws may have in diminishing production. Mr. Crump is Editor of the London "Financial Times" and former Editor of the London "Sunday Times."]

One major consequence of the war is a shortage of consumers' goods in Britain. This shortage has been brought about deliberately as one of the necessary conditions of Britain's war mobilization. Millions of men and women are either serving in the armed forces or making munitions, instead of making, carrying and distributing all the necessities and luxuries of life. Food, raw materials and factory space have to be diverted to the war effort. It is, in fact, calculated that whereas before the war 80% of the national output went to meet civilian needs, today the proportion is less than 50%.

Unless something is done to stop it, a shortage of goods inevitably means a rise in prices. This would be doubly the case today when so many people are earning money on war work, but are not producing goods for themselves and their neighbors. Were such a rise in prices to take place without limit, it would mean that everyone with low incomes would be unable to buy what they needed. Without adequate food and clothing a man cannot work. Also, if this state of affairs had developed, there would be a general and very proper feeling that it was unfair. This would affect national morale and so would affect the war effort.

Hence the necessity for rationing and price control. Rationing insures equal shares for all. It applies now to all the basic foods (except bread) and to a number of other foods, to all clothing, and to soap. The rations are varied from time to time to conform with changes in the total supplies. By common consent the system has worked admirably. It is almost unknown for anyone to be unable to buy their ration, though people may not always be able to get the exact thing they want. As a result of rationing the British people are fed and clothed adequately—much better, in fact, than the people of the Axis countries. The best test is the popularity of the system, and the complete absence of all but minor complaints on points of detail.

Rationing, however, is not enough. Prices must be kept within reach even of the poorest, or they would not be able to afford the ration to which they are entitled. Also it would be intolerable for traders to make large profits out of the general shortage, even though the tax collector would ultimately lay hands on those profits. Therefore several acts of Parliament have been passed, controlling prices, and these are supplemented by defense regulations. The machinery of control is decentralized, working through regional and local price regulation committees. Black market operations can be punished by imprisonment up to 12 years' penal servitude.

The system of price control is practical, fair and extremely popular. It depends for its success upon the pressure of public opinion. There is no need for any Gestapo, secret police, or even an elaborate enforcement system. The enforcement is done by the public. Any citizen can complain to the local police, local food office, Citizens' Advice Bureau, or ultimately to the price regulation committee. These complaints are always carefully examined, and if necessary, action is taken against the shopkeeper either by caution or prosecution.

A point that does not apply everywhere in the world is the complete integrity of every public servant engaged in the administration of the system. From time to time one hears stories of bribery and corruption in Axis countries, and this is inevitable under a totalitarian system where there is no sharp division between the Party and the State.

Nothing of the kind happens in Britain, and no one believes that it could happen. The system is administered fairly and honestly, and if anyone were unwise enough to try to corrupt a public servant, he would quickly find himself in jail.

Prices are fixed by schedules issued by the authorities and amended from time to time. Margins are fixed, sufficient to cover costs and leave an adequate profit. One difficulty here is that as the volume of trade shrinks the costs necessarily increase. This is partly met, however, by the concentration of the industries concerned into fewer factories and distributors. Hardship involved to traders and manufacturers is borne cheerfully for the sake of winning the war.

For food, the position is simplified by the fact that the British Government is the direct buyer—whether of imported or home-produced food. The Government, acting through the Ministry of Food, resells in bulk to the first wholesalers, who in turn pass the food into the normal channels of distribution. In a number of cases, Britain's Ministry of Food resells for less than it buys. This is the practical way in which Government subsidies are given to many foods, with the object of keeping down prices and the cost of living. The net cost of these subsidies is about $500,000,000 a year. These subsidies are a necessary reinforcement to price control.

There has been little change in the official cost of living index number since early in 1941. This has exercised a stabilizing influence upon wage rates, for many wages vary with the official cost of living index according to a sliding scale. The cost of living is not quite 30% above its pre-war level.

Rationing, price control and subsidies are only some of the weapons employed to maintain economic stability in the face of the dwindling supply of consumers' goods. Although many people are earning more money than before the war, it does not follow that they can spend more—or even attempt to spend more. For one thing taxation, both direct and indirect, is much higher, and also, now falls on all incomes except the very smallest. The income tax on a single person earning $800.00 a year, or not quite $16.00 a week, is $130.00 or $2.50 a week ($43.33 is repayable to the taxpayer, as "post-war credit" after the war). Then many people are subscribing regularly to National Savings Certificates, defense bonds, or other war loans. Many are accumulating deposits in the savings banks. From the beginning of the war to Dec. 21, 1942 "small savings" (which come mainly from workers and others with small incomes) totalled $7,024,000,000, while the grand total of national savings of all kinds was $18,852,000,000.

The latter figure must be interpreted with care. It includes war loan subscriptions from banks and other institutions, and this money would not normally be spent. The banks in fact habitually subscribe to war loans money already lent to the Government at short term. This is nothing more than a transfer from one form of loan to another. But the small savings figure of $7,024,000,000 represents definite abstinence from spending. It amounts to $150.00 per head of population—men, women and children; or alternatively about $300.00 for each person in active employment. Many of these people have also subscribed to the larger war loans, which are not classified under small savings.

Thus while the money income of the nation has increased, taxation and savings have checked a simultaneous increase in net spending power. This limitation of spending power is the complement to rationing and to the general shrinkage in the supply of goods. Both are needed if price control is to be made effective and freed from risk of abuse. Both are operating today.

Thus price control falls into its proper place as one of the means of maintaining economic and social stability in spite of an unparalleled war effort and severe contraction of the supply of consumers' goods. But in the last analysis the whole system owes its success to one thing. This is the realization by the British public that the system is honestly and efficiently administered in such a way as to establish fair play and adequate supplies for all at prices which the public can afford to pay.

The State Of Trade

The heavy industries generally continued to report high levels of operation the past week. Exceptional reports were received from the retail trade in most parts of the country. An upsurge in pre-Easter buying carried apparel sales to the highest level of 1943 during last week, with retail volume for the country as a whole estimated at 14 to 19% above last year, according to the weekly review of Dun & Bradstreet, Inc.

An outstanding event of the week, says the review, was the extension of control over the cost of living by the authorization of Office of Price Administration regional offices to place ceiling prices on restaurant foods.

Regional percentage increases in retail trade for the week were 12 to 15% for New England; the East, 14 to 17%; Midwest, 12 to 18%; South, 15 to 22%; Southwest, 23 to 27%; Pacific Coast, 19 to 25%, and Northwest, 5 to 9%, the latter small gains being attributed to snow, sleet and rainstorms.

In connection with the heavy industries, most reports were favorable for the week. Steel buying was reported as less active than a month ago, while other trade quarters indicated that repairs to furnaces were responsible for a slight drop in ingot production last week.

Steel operations this week, meanwhile, are scheduled at 99.1%, compared with 98.8% in the previous week, says American Iron & Steel Institute. The current schedule is equivalent to production of 1,716,100 net tons of ingots and castings against 1,710,900 in the preceding week.

The magazine "Steel" stated that the lull in buying is interpreted as a breathing period between quarters as well as an indication of further efforts by consumers to pare down excess stocks before the effective date of the Controlled Materials Plan.

The trade journal stated, however, that third-quarter buying is increasing and in some cases allotment numbers for plain carbon steel have been received for November shipment. In the case of specially treated alloyed steels, CMP orders have been issued for still later delivery.

The electric power industry continues to show gains substantially above last year. Electric output for the country during the week ended April 10 aggregated 3,882,467,000 kwh., an increase of 16.9% over the total of 3,320,858,000 kwh. in the like 1942 week, according to the Edison Electric Institute. The total for the preceding week was 3,889,858,000 kwh.

Consolidated Edison Co. of New York announced that system output for the week ended April 11 amounted to 173,400,000 kwh., compared with 147,100,000 in the like 1942 week, an increase of 17.8%.

Carloadings for the week ended April 10 totaled 789,018 cars, according to reports filed with the Association of American Railroads. This was an increase of 16,885 cars of revenue freight over the preceding week this year, 25,078 cars fewer than the corresponding week in 1942 and 109,210 cars above the same period two years ago.

This total was 126.21% of average loadings for the corresponding week of the 10 preceding years.

Department store sales on a country-wide basis were up 28% for the week ending April 10, compared with the like week a year ago, according to the weekly figures of the Federal Reserve Board.

Department store sales in New York City in the week ended April 17 were 11% above those of the corresponding week of 1942, according to a preliminary estimate issued by the New York Federal Reserve Bank. In the previous week, ended April 10, the sales of this group gained 17% over the comparable week of a year ago.

Sales of New York City apparel stores in the week were 25% better than in the like week last year, and in the four-week period were up 6% over those of the comparable period a year ago.

It is reported that small business firms are now getting war contracts at the rate of better than 300 a week under the guidance of the Smaller War Plants Corp.

Reorganized several months ago, placed under Col. Robert Johnson and divorced almost entirely from the WPB, the Smaller War Plants Corp. is branching out into new fields of activity.

Since its organization it has secured prime contracts totaling 2,565 for small businesses, plus 3,331 subcontracts. Dollar value of the primes was $481,700,000 and of the subcontracts $180,400,000.

During the last two months the tempo of contracts for small business has been stepping up. In one week, ending April 9, the corporation helped small firms get 188 prime contracts amounting to $27,100,000 and 140 subcontracts for $8,000,000. The week before there had been 166 primes amounting to $34,100,000, and 150 subcontracts for $8,200,000.

FIC Banks Place Debs.

An offering of $41,365,000 consolidated debentures of the Federal Intermediate Credit Banks was made April 19, at par, by Charles R. Dunn, New York, fiscal agent for the banks. The offering consisted of two issues, viz.: $19,255,000 0.75%, due Nov. 1, 1943, and $22,110,000 0.85%, due Feb. 1, 1944. Both issues are dated May 1, 1944. Of the proceeds from the sale of the debentures, $34,505,000 will be used to pay off a like amount of maturing issues due May 1, 1943, and the balance is for new capital purposes. At the close of business May 1, 1943, the banks will have a total of $288,530,000 debentures outstanding.

The Financial Situation

(Continued from first page)

peace and a general world millenium is our tendency to revert to what they call "isolationism." They never tire of talking about us taking our dutiful part in world affairs, and in almost everything they say it would appear that they suppose that once we resolve unshakeably to take that part all will be well.

Such an idea, of course, is utter rubbish. Can Great Britain depend on us—for what? Can we depend upon Great Britain—for what? Can Russia depend upon us—for what? Can Russia depend upon Great Britain—for what? Can Great Britain depend upon Russia—for what? Can we depend upon Russia—for what? Ah! There's the rub. Mr. Stalin probably knows as nearly as circumstances permit precisely what he will want after the fighting has ceased. We can probably depend upon him to take what he wants in large part—assuming that he has meanwhile smashed the Nazi war machine with or without more help from Great Britain and the United States than he has been getting. So far as any ideas or plans Great Britain or we may have do not conflict with any of his, both probably could depend upon Russia.

Great Britain does not yet appear to have fully formulated her post-war ideas, which is natural enough since her interests are world-wide, and her difficulties for one reason or another in foreseeing the situation in which the war will leave the Empire interests are greater. But she is coming to grips with post-war plans, and by the time the fighting has ceased she probably will know rather well what she wants. She probably will not be so blunt and obvious as Mr. Stalin, but she has her own ways of going about her affairs. If our ideas fit well with hers, and particularly if they supplement and strengthen her world position, we shall have little trouble in obtaining and keeping her support. We can be quite certain that she has already been thinking long and hard about that question of our dependability—but not in the way our world reformers have in mind, or certainly not altogether in that way. And as to Russia? Well, Mr. Stalin need not worry about British support so long as his plans and his ideas mesh well with those of the British.

Can They Depend Upon Us?

Can the both of them depend upon us? That, we should hope, will depend very largely upon what they want of us. So far as may be learned from official utterances or from popular clamor in this country we are today much further from knowing precisely what we want in the international scene after this war than either Russia or Great Britain—and that despite the "leadership" in post-war talking that the President of the United States and his followers have "assumed." The danger to which we are exposed is the lack of any semblance of realism in our official post-war ideas, and it is precisely that, we suspect, which most troubles the minds of Messrs. Stalin and Churchill.

Britain's Difficulties

Great Britain, more than Russia, will need our support after the war, and need it badly, but Great Britain is also vitally concerned with what happens on the Continent of Europe where the only great power left—assuming Germany is crushed—will be Russia. The British will unquestionably be in an uncomfortable position with the coldly realistic Mr. Stalin on one side and the equally unrealistic United States of America on the other. It is amply evident that the world-wise leaders of Britain have long understood this situation. What they would like to do, doubtless, so far as Europe is concerned, is to reach an understanding with Russia about things European, and have us endorse the arrangement and share in the costs of its enforcement. Elsewhere she will naturally wish to have us keep our nose out of Empire affairs, first of all, and then to come to some understanding about the rest of the world which would accord with British interests and have us underwrite it.

A Financial Santa Claus

Can Great Britain depend upon the United States on this basis? We should hope not. But our vague and grandiose oratory has led some Britishers to hope that she can count on us for more. The British themselves expect to be very short of cash after this war is over, and even shorter of foreign exchange. They are already expressing the hope that we shall finance world developments in such manner that they can supply a substantial part of the goods necessary thereto. Without question we shall be expected in some quarters at least to play financial Santa Claus to many parts of the world, some of them within the British Empire. Can the British depend upon us to be both "good" and generous so far as their interests are concerned? That is a question some of our dreamers around the country would do well to ponder.

It is clear enough when the situation is closely examined that the future peace and the fate of the world depend upon a great deal other than our decision as to whether we want to be "isolationist" or "internationalist" after the war is won. Whether we like it or not, this is a real world in which we all live. It is inhabited by many peoples widely differing among themselves concerning many things, each nation with its own fish to fry. It is a complicated world, too. There are many wheels within wheels in world politics—and world politics will continue no matter whether we wish it or not. What our policy should be is not nearly so simple as some of our more simple commentators seem to suppose. There are many conceptions of "isolationism" and many of "internationalism."

One would suppose that these elementary facts would never again be forgotten by the people of the United States after Mr. Wilson's experience at Versailles. Such, however, does not appear to be the fact. The truth instead seems to be that a great many of us—and some of those who should be the last to forget—have through the years come to the strange conclusion that it was the United States which deserted its professed ideals after the last war, and, withdrawing into its shell, assumed responsibility for the present war.

"Slogan" Thinking

"In spite of nation-wide discussion on plans for the future, or perhaps because of it, there are evident at least two unfortunate trends. . . .

"On the one hand there is the traditional and dangerous tendency to attempt to get rid of fundamental difficulties by the acceptance of easy slogans based upon superficial thinking and an inadequate knowledge of facts. On the other hand, the recognition of the complexity of political and economic relationships and their impermanence in the world of science may lead to more and more confusion. Under the conditions of today international relations can in no way be thought of as a thing apart from the domestic life of each of the nations concerned."—James T. Shotwell.

James T. Shotwell

It sometimes seems to us that the world was never before so beset—or so endangered—by "slogan thinking."

"Recognition of the complexity of political and economic relationships" may lead to "confusion," but we doubt whether that "confusion" is nearly so hazardous as refusal to recognize the complexity of human relationships, a refusal now so common in high places. Such recognition would render a number of our politicians much less vocal.

Crude Oil Price Rise Recommended By Ickes

Petroleum Administrator for War Harold L. Ickes, in testifying before the House Small Business Committee on April 16, said he had recommended a general increase averaging 35 cents a barrel in the price of crude oil, according to the Associated Press dispatches from Washington, which further stated in part as follows:

Harold Ickes

This recommendation was sent to the Office of Price Administration on April 7, but Sumner Pike, Director of OPA's Fuel Oil Price Division, testified that after its receipt he told Prentiss M. Brown, Price Administrator, that he thought it was "a pretty bad time" for such an increase. Mr. Ickes stated that he had not yet received an answer to his letter.

Mr. Brown also appeared before the Committee, but did not testify on Mr. Ickes' recommendation. He did, however, tell the Committee that it was the "obligation" of his agency to increase the price of crude oil if such action was necessary for successful prosecution of the war.

Mr. Pike added that considerations given for the increases in Mr. Ickes' letter were to keep stripper wells in production, spur secondary recovery and possible drilling on marginal locations, and encourage wild-catting.

Wright Patman (Dem., Tex.), Chairman of the Committee, remarked that previous numerous witnesses at the hearing have testified that one or two years would elapse, even after any price increase is allowed, before its effects would be noted in an upward trend in discoveries of new wells. The Chairman then asked Mr. Brown whether the OPA had considered that fact in deliberating whether to increase the crude oil price structure. Mr. Brown replied that this particular angle had not been studied but that it would be taken into consideration.

E. E. Placek Denies Country Bank Rates Are Too High

E. E. Placek, President of the Country Bank Division of The Independent Bankers Association, sent a letter on April 10 from Wahoo, Nebraska, to the members of Congress, taking exception to the governmental loaning agencies charge that interest rates demanded by country banks are too high. The letter follows:

To the Members of the Congress:

Governmental loaning agencies make the charge that interest rates demanded by country banks are too high, and therefore it is necessary for such agencies to finance the farmers. The best proof that such charges are false is proven by their own published statements.

The annual reports of the 530 Production Credit Associations for the year 1941 show that 43% operated at a loss and the deficit was made up by a Government subsidy. If the PCAs were compelled to pay real and personal taxes, capital stock tax, income tax, examination fees and Federal Deposit Insurance assessments and support local activities, approximately 80% would operate at a loss. If country banks were relieved of all taxes and assessments and free capital was furnished them, they could reduce their interest rates to farmers by 2% to 3%.

I challenge a denial of the above facts and figures.

What is Congress going to do about it?

Republicans Prepared For 1944, Says Landon

At a press conference at Columbus, Ohio, on April 17, Alfred M. Landon said that "the Republican Party was in better shape for the 1944 campaign than it has ever been," said an Associated Press dispatch from Columbus, Ohio, on April 17, which also had the following to say:

Alf M. Landon

After a meeting with Governor Thomas E. Dewey of New York yesterday Mr. Landon stopped off here for a chat with Governor John W. Bricker of Ohio. Both Governors have been mentioned as possibilities for the 1944 Republican nomination, and in answer to questions regarding them, Mr. Landon said:

"I believe Governor Dewey was serious when he said he planned to serve his full four-year term as Governor of New York. About Mr. Bricker, well, the people of the United States do not think the people of Ohio are dumb. And Mr. Bricker's three-time election as Governor by the people of Ohio is taken all over the country as a good endorsement of his ability as an executive."

Asked about the possibility of a fourth-term attempt by President Roosevelt, Mr. Landon said:

"It is obvious the President will never leave the White House voluntarily, and that is not a wholesome situation."

Mr. Landon offered a "why not?", to a question whether he believed Mr. Roosevelt would be a candidate in 1948, should he be elected to a fourth term in 1944.

Associated Press advices from Washington on April 19 said that Frank Comfort, Democratic National Committeeman from Iowa, was saying that President Roosevelt has told friends he will not under any circumstances consider a fourth term. The same advice also said:

There was no comment from the White House.

Mr. Comfort told reporters that he understood this to be the case, adding that it appeared there "might be some fellows trying to push him" (Mr. Roosevelt) into the 1944 race against his wishes.

"As far as I am concerned," Mr. Comfort said, "I think that if the war is still going on the President is the logical man to keep in office."

Mr. Comfort said that while in Washington he hoped to get the Democratic National Chairman, Frank C. Walker, and the Republican National Chairman, Harrison E. Spangler, to agree to "a short 1944 campaign."

Morgenthau Drops Request For Extension Of Power To Devalue Dollar Further

(Continued from first page)

proposed $5,000,000,000 international stabilization fund had been considered adequate.

"The five amendments offered by committee members were worded differently, but all had about the same effect. Representative Andresen offered three and Representatives Compton, White and Reed one each."

The devaluation power has been in Mr. Roosevelt's possession for over nine years and was exercised only once—that was on Jan. 31, 1934, when the President cut the gold content of the dollar to about 59 cents, in terms of the old dollar. The present authority is scheduled to expire on June 30.

Mr. Morgenthau, in his testimony on April 19, told the House Committee that he believed a two-year extension of the power to devalue the dollar would be helpful but did not request its extension.

In response to questioning (April 19) Secretary Morgenthau said that while the Treasury would not ask for repeal of the Thomas amendment to issue $3,000,000,000 in "greenbacks" if Congress saw fit to take the initiative in such repeal the Treasury would have no objection.

Associated Press Washington advices of April 19 also reported:

Representative Andresen of Minnesota asked Mr. Morgenthau whether there was any indication that the Treasury might take steps to devalue the dollar further before the authority expires June 30.

"I feel certain," he replied, "that no further devaluation will be undertaken before June 30, unless I first come before the proper committees of Congress to consult with them before doing so."

Mr. Andresen asked whether there was any other authority whereby the Treasury might devalue the dollar. Mr. Morgenthau replied that under the Gold Reserve Act of 1870, reaffirmed in 1934, "something similar but not quite the same" could be achieved by changing the price of gold.

"However," the Secretary emphasized, "I have nothing in mind at present to cause me to recommend to the President that he change the price of gold."

Before the Senate Banking and Currency Committee on April 16 Mr. Morgenthau, according to the Associated Press, had urged continuation of the Presidential powers to devalue the dollar, contending that "we must frankly face the danger of competitive currency depreciation in the post-war period." On that date (April 16) the Press advices added:

He said that while it is not possible now to foresee the pattern of post-war monetary developments, "this we do know: that if we are to avoid competitive depreciation of currency after the war, it would be helpful to be armed with this power as a warning that we shall not permit the international economic position of this country to be undermined by competitive currency depreciation."

Senate passage of the Stabilization Fund powers on April 16 came after, it is stated, an understanding was reached that the Treasury would not renew its request for the devaluation section.

Senator Wagner (Dem., N. Y.), Chairman of the Banking and Currency Committee, expressed it as his belief in the Senate on April 16 that the devaluation proposal will not again be brought up at this session of Congress.

The committee had on April 16 reported the bill to the Senate continuing the powers relating to the stabilization fund after eliminating the proposal to continue the present power to devalue the dollar.

Secretary Morgenthau, in appearing before the Banking Committee on April 16 to urge a two-year extension for both the stabilization power and the devaluation clause, contended that the devaluation provision was needed as a defensive weapon to combat any devaluation operation of a foreign nation.

Reporting on the Secretary's position and the opposition encountered Associated Press Washington advices of April 16 said:

Secretary Morgenthau, a witness in favor of the two-way extension bill, told the Committee the devaluation section was not a life and death matter but stuck to his contention that it would be a helpful defensive weapon in the event other countries started currency devaluation operations.

Opposition to the devaluation proposal had been voiced before the committee by Senator Taft (R., Ohio), who asserted:

"We're asking the American people to buy $13,000,000,000 in War Bonds this month, yet at the same time you're asking us to give the President power to devalue the dollar and thus depreciate the value of the bonds."

Previously Mr. Morgenthau had told the committee that the United States has sold more gold to foreign countries in the last two years than it has purchased.

He said the stabilization fund had accumulated a net profit which now exceeds $30,000,000. During the 1942 fiscal year, he added, the fund sold $644,000,000 in gold to foreign countries and purchased $162,000,000. Thus far in the fiscal year 1943, the fund has sold $401,000,000 in gold and purchased only $27,000,000.

The fund's gold sales, he said, have been made to 21 different countries, adding:

"I know of no better means of settling international balances than with gold.

"For this reason it has been and is the policy of the Treasury to facilitate the continued use of gold for the settlement of international balances. Our stabilization fund definitely contributed to the implementing of this policy."

During the past two years, the Secretary said, the United States has completed three gold purchase agreements with Russia calling for future delivery of gold purchased by the stabilization fund, with an advance on such gold prior to its delivery.

"The obligations of Russia under these agreements have been fully met," he said.

"The dollars made available by these gold transactions were used by Russia to pay for purchases of goods and services in the United States in addition to the materials obtained under the terms of the lend-lease arrangement."

Urging extension of the stabilization fund operations, the Secretary said, the monetary situation throughout the world is potentially more unstable than it has ever been before.

Continuance of the fund, he asserted, will help assure currency stability and help avoid competitive currency depreciation in the critical period following the war.

For the same reason Mr. Morgenthau added, the President's power to alter the gold content of the dollar also should be continued another two years.

"We are all agreed that no one can benefit from a competitive race in the depreciation of currencies," he said. "If such a development is to be avoided, we must frankly face the danger of competitive currency depreciation in the post-war period. It is not possible at this time to foresee the pattern of post-war monetary developments. But this we do know: that if we are to avoid competitive depreciation of currency after the war it would be helpful to be armed with this power as a warning that we shall not permit the international economic position of this country to be undermined by competitive currency depreciation."

Senator Taft's opposition to the devaluation power was voiced as Congress divided sharply on Mr. Morgenthau's plan for a post-war international currency.

Senator Taft (Rep., Ohio), was the leader of the opposition within the committee to separate the devaluation issue from the bill to extend the stabilization fund until 1945.

From the Associated Press we quote:

"Committee members said five Democrats and eight Republicans on the 20-member committee favored amputation of the devaluation provision.

"Confronted by Republican opposition to renewal, Secretary Morgenthau told the committee today 'it would be helpful' to continue the power, 'but it isn't a matter of life and death.' The President has held the power in high trust, Mr. Morgenthau observed, using it only once 'in the midst of a deep depression.' That was on Jan. 31, 1934, when Mr. Roosevelt reduced the gold content to 59 cents, in terms of the old dollar; under present law he has authority to cut it 9 cents more."

Senator Taft was also quoted as declaring that the Constitution gave Congress, not the President, the right to regulate money. Advices (Associated Press) on April 16, said:

An informal canvass of House members brought sharply conflicting opinions on the Treasury Secretary's plan for an international stabilization pool.

Representative Steagall (D., Ala.), chairman of the Banking and Currency Committee, said "I see in this plan possibilities for great good, both to us and the world, but it must be studied."

Another note of approval came from Representative Dewey (R., Ill.), for four years Assistant Secretary of the Treasury, who said, "In principle I agree, but this is only a part of the whole subject of post-war problems. I want to see a practical approach made to the entire subject."

Representative Somers (D., N. Y.), did not believe the Morgenthau plan as written, which would utilize gold, would be acceptable to other nations. The British plan, as brought out by John Maynard Keynes, adviser to the British Exchequer, was assailed by Mr. Somers as "definitely a fallacious and fatal delusion."

"If you ask me," he added, "what they are saying to us is, 'with your money and our brains we will go places.'"

Republicans Revive Money Powers Study

Representative Joseph W. Martin Jr., of Massachusetts, the minority leader, announced on April 18 that he has revived the Republican Study Committee on Extraordinary Monetary Powers for the purpose of analyzing the Treasury's post-war monetary stabilization proposals. Mr. Martin's statement follows:

"The whole question of monetary stabilization as it may affect the various countries of the world, their relations with the United States and each other is so broad, so intricate, and of such vital importance to the post-war world that any plan proposed ought to be, and must be, thoroughly analyzed by the Congress. I believe this committee can perform a notable service in so doing.

"I cannot help but feel that in view of the tremendously grave questions involved, with literally the peaceful relationships of various nations in the post-war era bound up in the economic problems which will beset efforts at world monetary stabilization, we must give the most serious study to these problems now.

"To that end, I have revived the Republican Study Committee on Extraordinary Monetary Powers of the President and have named Representative Jesse P. Wolcott, ranking minority member of the House Banking and Currency Committee, as Chairman. Mr. Wolcott was also Chairman of the original committee. The new committee will be composed chiefly of members of the commitees on Banking and Currency and Coinage Weights and Measures. These committees ordinarily handle monetary legislation.

"The committee will divide itself into subcommittees, and will avail itself of every avenue of helpful information and research.

"The members who will work with Chairman Wolcott are:

"Charles L. Gifford, Massachusetts; Fred L. Crawford, Michigan; Ralph A. Gamble, New York; Robert W. Kean, New Jersey; Jessie Sumner, Illinois; Frederick C. Smith, Ohio; Thomas Rolph, California; Henry O. Talle, Iowa; B. J. Monkiewicz, Connecticut; Chauncey W. Reed, Illinois; August H. Andresen, Minnesota; Hugh D. Scott Jr., Pennsylvania; Richard P. Gale, Minnesota; William H. Stevenson, Wisconsin; Joseph Clark Baldwin, New York; Ranulf Compton, Connecticut; Frank L. Sundstrom, New Jersey; Homer A. Ramey, Ohio; Jay Lefevre, New York; Edward H. Rees, Kansas; Robert F. Rockwell, Colorado; William C. Cole, Missouri."

New Deal Is Stifling Press Of Nation, Says Harrison Spangler

Harrison E. Spangler, Chairman of the Republican National Committee, concluding a "sounding board" trip through New England last Friday, addressed a gathering of Republican leaders including four New England Governors. Mr. Spangler said that the New Deal is trying to "stifle America's free press," according to a United Press dispatch from Boston, on April 16, which also said:

Harrison E. Spangler

Mr. Spangler said a typical example of the New Deal's efforts to "keep the people uninformed or misinformed" is the attempted exclusion of the press from the refugee and food conferences soon to be held at Bermuda and Warm Springs, Ga.

"The conferences should be spread across every newspaper page in America."

The Administration is "seeking to regulate every activity of every citizen in the nation."

The motion picture industry, radio and now the newspapers are being subjected to a severe and unnecessary censorship, he said.

He termed the New Deal a "false and reactionary philosophy based on Middle Ages theories of centralized government," and called on Republicans and Americans not to allow America to be destroyed at home while "our boys save it abroad."

Hasler Calls Renewal Of Trade Agreements Act Vital To Peace Hopes

Failure to renew the Reciprocal Trade Agreements Act would be a repudiation of the promises and pledges of the United States that there shall be freedom for international trade among all nations when the war ends and the peace is written, according to Frederick E. Hasler, President of the Chamber of Commerce of the State of New York.

In an address at a recent luncheon meeting earlier this month of the Foreign Policy Association in New York City, Mr. Hasler, who is also President of the Pan American Society and Chairman and President of the Continental Bank & Trust Co. of New York, said that "if we fail to extend the act, we inform the world in so many words that we are indifferent to international economic cooperation and that we prefer to follow the selfish policy of isolation of the past even at the risk of bringing on another world-wide depression and inviting a third World War."

Mr. Hasler further stated:

"The program has demonstrated its value both in time of peace and time of war and there is every reason to believe that it will be of even greater importance in the post-war period. In its present or in an extended form, the program may well serve as a basis for a sound and prompt solution of the most urgent problems growing out of trade barriers and discriminatory treatment, which will face international trade in the post-war period."

Mr. Hasler added:

"When we entered this war, Government control over the national economy was much more extended than it had ever been when we became engaged in other wars. For almost ten years our system of free enterprise had been under governmental attack. Radical thinkers in and out of Government agencies in Washington had attempted to discredit the free enterprise system at every opportunity. The faith of the people in the system which their forefathers established and which had made America the world's richest and greatest industrial nation was slowly but surely being poisoned up to the time of Pearl Harbor.

"What happened since then has written one of the most glorious pages in the history of the free enterprise system. Private industry has done a job in making the United States the 'arsenal of democracy' which amazed the whole world and dumbfounded our enemies. The faith of the American people in the private enterprise system has not only been restored, but **strengthened.**

Private industry—the American system of free enterprise—can do just as good a job in the post-war period for our civilian economy as it now is doing to win the war, if given the opportunity, encouragement and financial cooperation by the Government, **provided that the highways of two-way trade and commerce with other nations of the world are freed of the obstacles which retard the exportation of our surplus production and the importation of raw materials and other needed goods and products for which we can make new markets here.** Reciprocal Trade Agreements provide the best solution of the latter problem which has been found so far."

WMC Restricts Transfer Of 27 Million Workers In Essential Industries

(Continued from first page)

one essential activity to another except with statements of availability issued either by the employer or the local War Manpower authorities.

"It is therefore natural that I should look to these stabilization plans as the means for determining that transfers involving differences in pay are in the interest of the war effort.

"There are now in operation over 60 of these stabilization plans, and they are increasing in number each week. At this moment several are in the process of development. They are all in areas where the labor shortages are critical.

"Paragraph 904.1 deals with the movement of workers from other than essential activities into essential activities. You will notice this movement is permitted without regard to wages, as it is at present. The reasons for the 30-day period is to prevent workers from leaving an essential activity, working in another than essential activity for two or three days and then moving from there back into some essential activity at a higher wage. The reason we are not restricting this movement into essential activity is because such movement is in the interest of the war effort and should be encouraged.

"Paragraph 904.2 deals with workers transferring from essential activities into other than essential activity. This not in the interest of the war effort, therefore no such transfers are permitted at an increase in pay. It should be indicated that while such transfers are not desirable, they are not prohibited at equal pay.

"Paragraph 904.3 deals with movement between essential activities. Such movement is not permitted when an increase in pay is involved, except as provided in 904.4. This movement between essential activities for no other reason than to receive higher pay is one of the most serious and wasteful forms of labor turnover now prevalent.

"Paragraph 904.4 is also concerned with movement of workers from one essential activity to another. It permits transfers at higher pay when such transfers are in the interest of the war effort, provided they are made in accordance with the provisions of the local employment stabilization plans.

"You will notice in the last sentence of Section 904.4 that the employer cannot place on the statement of availability any information other than required. The reason for this is to protect the employee against prejudicial information that has no bearing whatever on the case."

The text of Mr. McNutt's regulation follows:

Pursuant to the authority vested in me as Chairman of the War Manpower Commission by Executive Order No. 9328, dated April 8, 1943, I hereby prescribe the following regulation:

904.1. Workers Previously Engaged in Other Than Essential Activities for Work in Essential Activities. Any employer engaged in an essential activity may hire for work in such activity any new employee who for the preceding 30 days was not engaged in an essential activity.

904.2. Workers Previously Engaged in Essential Activities for Work in Other Than Essential Activities. No employer shall hire for work in an activity other than an essential activity any new employee who, during the preceding 30-day period, was engaged in an essential activity if the wage or salary rate to be paid by the employer would exceed the rate most recently earned by such employee.

904.3. Workers Previously Engaged in Essential Activities for Work in Other Essential Activities. No employer shall hire (except as provided for in Section 904.4 of this regulation) for work in an essential activity any new employee who, during the preceding 30-day period, was engaged in an essential activity if the salary or wage rate to be paid by the employer would exceed the rate most recently received during such period by the employee.

904.4. Workers Previously Engaged in Essential Activities for Work in Other Essential Activities in Areas or Industries Subject to War Manpower Commission Employment Stabilization Programs. (a) Any employer engaged in an essential activity may hire for work in such activity any new employee who, during the preceding 30-day period, was engaged in an essential activity, without regard to his preceding wage rate or salary scale, providing such hiring is subject to, and permitted under, an employment stabilization program approved by the War Manpower Commission.

(b) A statement of availability shall be issued to any worker by his last employer or by the War Manpower Commission as may be provided in such employment stabilization programs and whenever the worker:

(1) Is discharged by his last employer,

(2) is laid off for an indefinite period or for a period of seven or more days, or

(3) can establish that his present employment does not utilize him at his highest skill or that he is not being employed at full time.

No statement of availability shall be issued solely on the ground that an individual's wage or salary rate is substantially less than that prevailing in the locality for the same or substantially similar work.

Any such statement shall contain the worker's name, his social security account number, if any, the name and address of the issuing employer or War Manpower Commission officer and office, the date of issuance, and a statement to the effect that the worker may be hired elsewhere in an essential activity. The inclusion by an employer on such notice of any information other than that required by this regulation shall be deemed to be a violation of this regulation.

904.5. Acceptance of Employment by Workers. No individual shall accept new employment with an employer if the employer is prohibited from hiring him under this regulation.

904.6. Penalties. The hiring by an employer of a new employee, or the acceptance by an individual of new employment, in violation of this regulation is subject to the penal provisions of the Act of Oct. 2, 1942 (Pub. No. 729. 77th Cong.). The provisions of Sec. 4001.10 of the Regulations of the Economic Stabilization Director, issued Oct. 27, 1942, apply to any wages or salaries paid in violation of this regulation.

904.7. Definitions. (a) Essential activity means any activity in the War Manpower Commission List of Essential Activities (see Appendix A) and any activity approved by a Regional Manpower Director as a locally-needed activity.

(b) New employee means any individual who has not been in the employ of the hiring employer at any time during the preceding 30-day period.

(c) New employment means employment with an employer by whom the individual has not been employed at any time during the 30-day period preceding such employment.

904.8. Employee - Employer Agreements. Nothing in this regulation shall be construed to prejudice existing rights of an employee under any agreement with his employer.

904.9. Effective Date. This regulation shall become effective at 12:01 a. m. Sunday, April 18, 1943.

The revised list of essential industries and activities as ordered by the War Manpower Commission, as given in the New York "Times" of April 17 follows:

1. Production of Aircraft and Parts—The production, maintenance and repair of aircraft, gliders, parachutes, dirigibles, balloons, aircraft engines, aircraft parts, pontoons, propellers and similar products.

2. Production of Ships, Boats and Parts—The production, maintenance and repair of ships, boats, ship and boat parts and equipment.

3. Production of Ordnance and Accessories — The production, maintenance and repair of firearms, guns, howitzers, mortars, gun turrets and mounts, tanks, sighting and fire-control equipment, torpedo tubes and similar products.

4. Production of Ammunition—The production of bombs, mines, torpedoes, grenades, chemical warfare projectiles, explosives, fuses, pyrotechnics, as well as products such as glycerin, which go into the manufacture of ammunition.

5. Agriculture and Commercial Fishing:

5a. Agriculture: Livestock and livestock products, including beef cattle, dairy cattle, hogs, poultry, sheep and goats; fiber, oil crops, and potatoes, including castor beans, American-Egyptian, sea island and upland cotton, flaxseed and soybeans, hemp, peanuts, Irish potatoes and sweet potatoes; field crops, including barley, dry field peas, oats, rye, wheat, alfalfa hay, alfalfa hay seed, cover crop seed, broom corn, corn for grain and silage, dry edible beans, green peas for processing, rice, sweet corn, hybrid seed corn, grain sorghum, tame hay and seed, wild or native hay; tree fruits, small fruits and berries; medicinal, insecticide and rubber plants; vegetables for fresh consumption and processing; vegetable plants and seed; other food and special crops, including honey, tree nuts, sugar cane for sugar and syrup, sugar beets. sugar beet seed, sorghum and sorgo syrup and tobacco.

5b. Agricultural Services and Commercial Fishing: Agricultural, horticultural and animal husbandry services such as commercial hatcheries, seed processing, animal breeding, crop disease protection services, initial processing services such as ginning, compressing, threshing, cleaning, shelling and curing, irrigation services, farm repair and maintenance services, farm product assembly services, all of which are performed on a substantially year-round basis to essential activities related to essential crops and livestock enterprises indicated in local board release No. 175: commercial fishing.

6. Processing of Food—Meatpacking and slaughtering (including poultry), production of all types of butter, cheese, milk and eggs; canned or preserved fish and nuts, canned or preserved fruits and vegetables and their juices, soups, flour and other grain-mill products, prepared feeds for animals and fowls starch, cereals, rice, bread and other bakery products, sugar, leavening compounds. corn syrup and edible fats and oils. Includes dried, dehydrated, frozen, and other special-processed foods.

7. Forestry, Logging and Lumbering—Timber tracts and logging camps, sawmills, veneer, cooperage-stock, planing and plywood mills; raising of tung-oil trees, fire prevention, pest control, forest nurseries and reforestation services, gathering of gums and barks for the manufacture of naval stores and medicinal purposes.

8. Construction—Highway and street construction, marine construction, construction of approved industrial plants, houses, hospitals and military products; repair of such facilities, and services necessary to complete such construction.

9. Coal Mining—The mining of anthracite, bituminous and semi-anthracite coal; lignite and peat, and the operation of breakers or preparation plants. Includes also removing overburden and other such activities preparatory to coal mining operations.

10. Metal Mining—The mining of iron, copper, lead, zinc, aluminum, mercury, manganese, chromium, molybdenum, tungsten, vanadium and similar ores and the dressing of such ores. Includes also removing overburden, sinking shafts and other such activities preparatory to metal mining operations.

11. Non-Metallic Mining and Processing and Quarrying—The mining and processing of rock salt, phosphate rock, sulphur, potash, asbestos, graphite pyrites, graphite, borates and other salines, fluorspar, mica, talc, abrasive sands and similar products. Excludes all mined or quarried non-metallic materials used exclusively in construction.

12. Smelting, Refining and Rolling of Metal—Primary and secondary smelting and refining. alloying, rolling and drawing of iron, steel, copper, lead, zinc, magnesium, aluminum, brass, bronze, nickel, tin, cadmium. ferro-alloys and any other metals used in the production of war materials, and scrap salvage.

13. Production of Metal Shapes and Forgings—The manufacture of castings, die castings, forgings, wire, nails, chains, anchors, axles, pipe, springs, screws, bolts, tubing, stampings, pressings, structural shapes and machined parts.

14. Finishing of Metal Products—Enameling, japanning, lacquering, painting, plating and galvanizing of metal products.

15. Production of Industrial and Agricultural Equipment—Power boilers, wiring devices and supplies, agricultural implements, electric lamps, storage and primary batteries, pumps, compressors and pumping equipment, recording, controlling and measuring instruments and meters, conveyors, industrial cars and trucks, blowers, exhaust and ventilating fans, mechanical power transmission equipment, such as clutches, drives and shafts; mechanical stokers, tools, files and saws, plumbers' supplies, professional and scientific instruments, photographic apparatus and optical instruments, and all equipment necessary to operate plants producing essential commodities.

16. Production of Machinery—Engines and turbines, metal-working machinery and equipment; electrical generating, distributing and industrial apparatus for electric public utility, manufacturing, mining, transportation and construction use, for use in manufactured products or in service industries; construction, mining, agricultural, oil field, smelting and refining machinery, as well as all machinery necessary to produce, equip and maintain aircraft, ships, ordnance and other military equipment.

17. Production of Chemicals and Allied Products and Essential Derivatives Thereof—Glycerine; turpentine, rosin and other naval stores; wood tars, oils, acids and alcohols; plasticizers, lubricating oils and grease. animal and vegetable oils, fertilizers; tanning materials; chemicals pulp; salt, synthetic rubber; coal-tar products; plastics; compressed and liquefied gases; refined sulphur; acids; caustic and other sodas; alcohols; electro-chemical and electro-metallurgical products such as carbide, sodium and potassium metals and high-percentage ferro-alloys; drugs and medicines; insecticides and related chemical compounds; synthetic textile fibers used in military equipment exclusively; grease and tallow. (Explosives, flares and other fireworks, generally classified as chemical products, are included with ammunition.)

18. Production of Rubber Products—All rubber products.

19. Production of Leather Products—The production of shoe and belting leather; industrial belting for transmission of power; boots, shoes, and gloves, for military and industrial use; saddlery, harness, and accessories.

20. Production of Textiles — Spinning and weaving of fabrics for parachutes and powder bags; of canvas for tents, sails, tarpaulins, and related heavy canvas products; asbestos, fibrous glass, cotton, woolen, knit, linen, silk, and synthetic fiber goods for military and industrial use.

21. Production of Apparel—Apparel for the armed forces, and work clothing.

22. Production of Stone, Clay and Glass Products—Scientific and industrial glass products; sand-lime, fire-brick and other heat-resisting clay products; lime, abrasive wheels, stones, paper, cloth and related products; asbestos products including steam and other packing, pipe and boiler covering, crucibles and retorts; porcelain electrical supplies; as well as parts of military apparatus.

23. Production of Petroleum, Natural Gas and Petroleum, Coal Products—Drilling, rig-building, and maintenance service operations, and petroleum refining. Includes also production of tar and pitch, coal gas and coke.

24. Production of Finished Lumber Products—Cork production such as life-preservers; storage battery boxes; insulating material; cars; matches; wood preservation activities. Includes also wooden parts of aircraft, ships and other military equipment.

25. Production of Transportation Equipment—The production of motor vehicles such as trucks, ambulances, fire engines, buses and military motorized units; essential parts and accessories of such motor vehicles; motor cycles, bicycles, and parts; locomotives and parts; railroad and street cars and equipment.

26. Transportation Services — Air transportation; line-haul railroad; switching and terminal; railway and air express; freight forwarding; rail inspection; local transit, rapid transit, interurban electric railway, and over-the-road bus; offshore and intercoastal water transportation, including shore service such as stevedoring and harbor operations; pipe-line transportation; transportation services on the inland waterways, Great Lakes, harbors, bays, sounds, and waters connected with the seas, including shore service such as stevedoring; trucking, warehousing; dry, open and cold storage of essential and perishable commodities.

27. Production of Materials for Packing and Shipping Products—Textile bags; vegetable and fruit baskets; cooperage; excelsior; heavy-duty paper and pulp; rope, cordage and twine; wooden, paperboard, container board, glass, fiber, metal and paper containers and envelopes for shipping and preserving essential products.

28. Production of Communication Equipment — Radios and radio equipment; radar; telephone, telegraph, cable, television and signaling apparatus.

29. Communication Services—Magazines of general circulation which are devoted primarily to the dissemination of public information; newspapers and news

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Re-Education Of Post-War Europe Is U. S. Aim For Discussion At United Nations Conference

Plans of the United States Government to extend its objectives to include the study of and discussions with the United Nations of the re-education of post-war Europe were indicated on April 7, such conferences representing additions to those already proposed as to food, refugees and international currency. The New York "Times" of April 8 in noting this stated that latest plans were revealed to the Institute of Educational Reconstruction at New York University under the auspices of the United States Committee on Educational Reconstruction, a body of civilian educators, in joint session with the Central and Eastern European Planning Board, representing Poland, Czechoslovakia, Yugoslavia and Greece.

According to the paper from which we quote the first session of the two-day institute was opened by Dr. John W. Studebaker, United States Commissioner of Education, with the declaration that the United Nations and must be prepared, "as a necessary underpinning to disarmament and economic and political re-organization," to restore the educational systems which Germany had crushed in overrunning countries and to provide "some temporary supervision" of the educational system which Germany had used to convert its own and other peoples to the Nazi philosophy.

From the "Times" we also quote:

"In opening up the subject, Commissioner Studebaker said:

"Education must go hand in hand with international arrangements for trade, for disarmament, for political organization. For they are not likely to be achieved unless they have an underpinning of sound popular understanding as to their necessity and practicability.

"A world only half-educated can only be half-free. I am convinced that education for democracy throughout the world must somehow be achieved if the world is not to suffer, generation after generation, from any more destructive and calamitous wars.

"We must not only plan for the speedy rehabilitation of the educational institutions in the democratic nations which have been overrun by the Nazi hordes. We must also extend our planning to include assistance in the eventual restoration of the educational systems of Germany and its satellites, in which the education has been prostituted to the evil purposes of evil nationalist leaders.

"Although food and medical supplies may very well be the most pressing need in the liberated nations of Europe, almost as pressing and much more difficult to meet will be the need of ministering to the minds of men and women, rebuilding their faith and courage, their hope in the prospect of a better world for their children.

"The most difficult problem is the decontamination of the educational systems of the Axis nations themselves.

"It has often been said that this is a war of ideas. It is hardly to be hoped that this war will end with the unconditional surrender of the vanquished. In the field of ideas, as well as in the war of physical disarmament, the United Nations must be prepared to provide some temporary supervision of education as assurance of mental and moral disarmament, until such time as the evil Nazi ideology force has been extirpated and its place taken by a constructive program of democratic education."

That the State Department at Washington is identified with the movement was disclosed at the meeting by Dr. Ralph Turner, representing the Cultural Relations Division of the Department of State, it is learned from the "Times," which stated that it was revealed that the Government's action was designed with a view to avoid repeating the "error" of the Versailles peace in neglecting the course of the common man in Europe after the last war. Asked to speak during the session, Dr. Turner, said the "Times," explained that he was present only as an observer, but could say:

"The Department of State is interested in the problem before you. It is under study, and very shortly we hope these studies will reach the point where at least one or two simple decisions will be made which will permit the Division of Cultural Relations to embark on steps which will lead to cooperation with the United Nations on a program of cultural and intellectual rehabilitation.

"I think all of you must recognize that the United States Government is so organized that activities on these lines can not be concentrated in any one agency. As matters stand at the moment, and as they will develop until the conclusion of some kind of peace, there are at least four agencies that will be concerned with matters related to the problem before you. In sequence, the significance of these organizations will be about as follows:

"To start with, the Office of War information has certain matters in hand which are related to these problems, especially in areas in which our Army is going, now or in the future.

"Then there is the Division of Military Government in the War Department, which will be concerned with these matters when there is an army of occupation, in some countries.

"Next, the Office of Foreign Relief and Rehabilitation Operations under Governor Herbert Lehman will be responsible for relatively important work in this field of cultural and intellectual rehabilitation.

"And finally the Department of State, through the Division of Cultural Relations, will fall heir to the work and will have ultimate responsibility for cooperating with the United Nations in dealing with these problems.

"It is well for you to realize that it is a complicated situation. It means no one man from the government can come before you and tell you at this moment just exactly what the United States Government is going to do in a given situation. It is our hope that progressive actions may be taken by each of these agencies which will build toward a constructive program in which the United States will cooperate with the United Nations.

"In this situation with regard to the Government agencies, there is another situation. In this institute which you have organized here we have private initiative working at these problems. That is truly American. It is the way we do things.

"It is the point of view of the State Department that it is from such private sources, through the cooperation of private agencies, that the program which is ultimately made a part of the United Nations program with the support of the U. S. Government, will be formulated. We are not in the United States Government trying to formulate a program in this educational matter. We are trying to reach into the depths of American thinking, and receive from it the measures which the Government will be able to support.

"I think in a relatively short time action will be taken to put us in a much better position to work openly with the private agencies on these problems."

Warns Of Threat Of Medical Regimentation

The Chamber of Commerce of the State of New York, at its monthly meeting on April 1, adopted a report declaring that the threat of medical regimentation in the United States can be defeated by individual promotion of the basic idea of private operation which now exists in the plans of numerous private organizations. Pointing out that the pressure for a great medical bureaucracy has been steadily growing, the report said:

"It seems quite apparent that out of the action taken by the various groups interested in privately operated health insurance in New York, that some definite workable plan will come. Up to the present time, however, two conditions have presented themselves which the Committtee believes must be overcome before they meet with public acceptance: (1) Many deductions are being made from employees' pay envelopes already so that any addition is looked upon by them as the 'straw that broke the camel's back.' (2) Free medical treatment as provided by hospital clinics has become such a factor in the public economy that an extremely lucid educational program would need to be promulgated to pave the way for voluntary acceptance of medical insurance. With the elimination of these two conditions, however, privately operated medical insurance should thrive."

John Sloane is Chairman of the Committee on Public Health and Welfare which drew the report.

Approves Raising FHA Ins. Authorization

President Roosevelt signed on March 23 the legislation extending for one year, to July 1, 1944, the authority issued to the Federal Housing Administration to insure mortgages on war housing projects and increasing the permissible amount of such insurance from $800,000,000 to $1,200,000,000.

The National Association of Home Builders, the National Association of Real Estate Boards and other organizations had supported this measure, in furtherance of the carrying through of the 250,000-dwelling unit program with which Administrator Blandford of the National Housing Agency has charged them.

The measure passed the Senate on Feb. 25 and the House on March 17, with both branches of Congress adopting a conference report on March 19.

With regard to the approval by President Roosevelt of amendments indicated above to the National Housing Act just voted by Congress, making Title VI insured financing available for approximately 90,000 additional dwelling units to be built for war workers by private builders, John B. Blandford, Jr., National Housing Administrator, on March 27 said:

"The amendments increase the Federal Housing Administration's war housing mortgage insurance authorization under Title VI by $400,000,000 to $1,200,000,000 and extend the FHA's authority to insure under that title from July 1, 1943, to July 1, 1944.

"The increase in Title VI authorization was requested by the National Housing Agency in order to assure adequate financing arrangements for the private units still to be started under the NHA's current program to meet war housing needs created by in-migration of war labor through July 1 of this year.

"On March 1, approximately 150,000 privately financed family units were still to be started under that program. Of these, it is estimated that roughly 110,000 still require financing arrangements."

The advices from the National Housing Administration on May 27 also stated:

"Because of war-time hazards and uncertainties, most private lending institutions are reluctant to finance war housing projects on an uninsured basis, with the result that approximately 85% of all private war housing now being built is covered by Title VI insurance, Mr. Blanford pointed out. The $400,000,000 increase now approved for Title VI will provide insurance protection for approximately that percentage of the private units still to be financed under the present quota.

"Mr. Blandford emphasized that the increase in Title VI insurance authorization relates solely to the financing of the NHA's current war housing program rather than to any new program. Estimates of the anticipated continued in-migration of war labor after July 1, prepared by the War Manpower Commission, are now in process of analysis by the NHA to determine what additional war housing construction will be required to meet those further war housing needs, he said.

"Upon completion of these studies, the National Housing Agency will make a further request to Congress for additional Title VI authorization as well as for additional appropriations for publicly financed war housing projects, Mr. Blandford said.

"Following upon the President's approval of the $400,000,000 increase in Title VI authorization, Commissioner Abner H. Ferguson of the Federal Housing Administration has instructed FHA field offices to resume issuing Title VI commitments to insure mortgages on qualified private war housing projects.

"Outstanding Title VI insurance plus commitments to insure projects now under way had recently reached the previous $800,000,000 ceiling for Title VI insurance, thereby necessitating a brief halt in issuance of further commitments. However, FHA field offices have continued to process new insurance applications in order to prevent delays pending final approval of the National Housing Act amendments."

Tax, Forced Savings Plans Being Studied

President Roosevelt told his press conference on April 10 that it is still the Administration's hope to collect $16,000,000,000 of additional funds by taxation, forced savings, or both, during the fiscal year 1944. The President had expressed this belief in his January budget message to Congress.

Mr. Roosevelt explained to his press conference that his "hold-the-line" order against inflation could not be accomplished solely by wage and price ceilings and by rationing but that the nation must be prepared to spend less and save more. This means taxes and savings, he added, declaring that the Administration is now at work on plans to be suggested to the appropriate Congressional committees. Associated Press accounts from Washington April 10 reported Randolph Paul, Treasury General Counsel, as saying it would be highly unrealistic to rely on taxation along traditional lines alone to absorb the entire excess of civilian spending which threatens a runaway inflation. These advices added:

He expressed the belief that if present personal taxes were doubled to yield an additional $15,000,000,000, the level of voluntary savings would fall below the current figure of $24,000,000,000 annually—thus in part defeating the purpose of the higher taxes.

Advocates of compulsory lending or saving levies say that they preserve the incentive to work, by providing for post-war refund of the taxes.

In addition, Treasury officials said the promise of future rewards inherent in these programs justifies a greater restriction of consumption among the lower income groups than would be fair under outright taxation.

One schedule of rates proposed for compulsory savings or lending would exempt the first $1,000 of income of a married person with no dependents, require that 20% of the next $1,000 and 40% of the next $1,000 be made as a compulsory loan to the Government or put into some type of savings, if compulsory savings were adopted. The schedule would be adjusted upward to meet higher incomes.

Special provision for fixed commitments or extraordinary expenses, Treasury officials said, could be made under either program by allowing offsets for such things as personal taxes, rents, medical expenses, debt repayments and the like.

In his statement on inflation (April 8) the President said that Congress must act "to reduce and hold in check the excess purchasing powers."

The President's budget message appeared in our Jan. 21 issue, page 286.

Clark Nominated To Head NY Group Of AIB

G. Russell Clark, Assistant Manager of the New York Clearing House, has been nominated for the Presidency of New York Chapter, American Institute of Banking. Mr. Clark is now serving as First Vice-President, succeeding to the unexpired term of Everett J. Livesey, who joined the Navy.

Other officers nominated for the coming year are:

First Vice-President: James E. Robertson, Assistant Cashier of the Chase National Bank.

Second Vice-President: Edgar C. Egerton, Vice-President of the Seamen's Banks for Savings.

Treasurer: James Lyall, Personnel Director of the United States Trust Co.

Chief Counsel: John W. Boyle, Manager of the Brooklyn office of the Title Guarantee and Trust Co.

New nominees for the Board of Governors include Raymond C. Deering, Assistant Comptroller of the Manufacturers Trust Co.; Clinton W. Parker, Assistant Secretary of the Dime Savings Bank of Brooklyn, and Crawford Young, Trustee and Vice-President of the Flatbush Savings Bank.

The annual meeting of the New York Chapter will be held on May 11.

Pay On Rio Grande 8s

Ladenburg, Thalmann & Co., New York, as special agent, is notifying holders of State of Rio Grande do Sul (United States of Brazil) 25-year 8% sinking fund gold bonds, external loan of 1921, that funds have been deposited with it sufficient to make a payment, in lawful currency of the United States of America, of 17.50% of the face amount of the coupons due April 1, 1941, amounting to $7.00 for each $40 coupon and $3.50 for each $20 coupon. .The announcement also says:

"Pursuant to the provisions of the Presidential Decree of the United States of Brazil, such payment, if accepted by the holders of the bonds and coupons, must be accepted in full payment of such coupons and of the claims for interest represented thereby.

"No present provision, the notice states, has been made for the coupons due April 1, 1932, to Oct. 1, 1933, inclusive, but they should be retained for future adjustment."

Wholesale Commodity Index Advanced 0.1% During Week Ended April 10, Says Labor Dept.

The U. S. Department of Labor, Bureau of Labor Statistics' comprehensive index of prices in primary markets rose 0.1% during the week ended April 10. At 103.5% of the 1926 average the all-commodity index was 5.5% higher than at this time last year.

The Bureau's announcement issued April 15 further stated:

"**Farm Products and Foods:** Following sharp advances during the preceding two weeks, average prices of farm products in primary markets declined 0.3% during the week ended April 10. Quotations for rye declined 6%; wheat and eggs, 1½%; and cotton, nearly one-half of 1%. Lower prices were also reported for oats, flaxseed and calves, and for apples (New York market), lemons, and white potatoes (New York market). Higher prices were reported for corn, steers, light hogs, wethers, oranges, and fine clothing wool.

"On April 7, following the statement by the President on prices and wages, further declines were reported in leading markets for wheat, flaxseed, hogs, wool and cotton.

"Food prices advanced 0.1% during the week. In addition to higher prices for certain fruits and vegetables, price increases were reported for bread in Chicago and New York, rye flour, black pepper, and fresh veal. These price changes were primarily attributable to the rationing program and adjustments by the Office of Price Administration in ceiling prices.

"**Industrial Commodities:** As indicated by the index for 'all commodities other than farm products and foods,' industrial commodity markets remained comparatively steady. Prices for linseed oil, maple flooring, and Ponderosa and Idaho pine, and for boxboard and powdered soap advanced. Rosin, turpentine, sewer pipe, and copper sulphate declined. Quotations for binder twine advanced more than 19% during the week as a result of action by the Office of Price Administration. California crude petroleum rose about 6% and cattle feed prices were somewhat higher."

The Bureau makes the following notation:

"During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for March 13, 1943 and April 11, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	4-10 1943	4-3 1943	3-27 1943	3-13 1943	4-11 1942	Percentage changes to April 10, 1943, from— 4-3 1943	3-13 1943	4-11 1942
All commodities	*103.5	*103.4	*103.3	*103.2	98.1	+0.1	+0.3	+ 5.5
Farm products	*124.3	124.7	124.2	123.5	104.6	—0.3	+0.6	+18.8
Foods	107.9	107.8	107.6	107.0	97.0	+0.1	+0.8	+11.2
Hides and leather products	118.4	118.4	118.4	118.4	119.8	0	0	— 1.2
Textile products	96.9	96.8	96.8	96.8	97.1	+0.1	+0.1	— 0.2
Fuel and lighting materials	81.1	80.8	80.8	80.7	77.9	+0.4	+0.5	+ 4.1
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.9	0	0	0
Building materials	110.3	110.4	110.4	110.4	110.5	—0.1	—0.1	— 0.2
Chemicals and allied products	100.1	100.1	100.0	100.0	97.1	0	+0.1	+ 3.1
Housefurnishing goods	104.2	104.2	104.2	104.2	104.3	0	0	— 0.1
Miscellaneous commodities	91.3	91.2	91.2	91.2	89.7	+0.1	+0.1	+ 1.8
Raw materials	*112.7	112.8	112.5	112.1	99.4	—0.1	+0.5	+13.4
Semimanufactured articles	93.0	93.0	92.9	92.9	92.8	0	+0.1	+ 0.2
Manufactured products	*100.8	*100.7	*100.7	*100.6	98.5	+0.1	+0.2	+ 2.3
All commodities other than farm products	*99.0	*98.9	*98.8	*98.8	96.7	+0.1	+0.2	+ 2.4
All commodities other than farm products and foods	*96.7	*96.7	*96.6	*96.6	95.6	0	+0.1	+ 1.2

*Preliminary.

Steel Operations Increased—Demand Lower—Most Second Quarter Steel Covered By CMP

The American Iron and Steel Institute on April 19 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.1% of capacity for the week beginning April 19, compared with 98.8% one week ago, 99.1% one month ago and 97.6% one year ago. This represents an increase of 0.3 point or 0.3% from the preceding week. The operating rate for the week beginning April 19 is equivalent to 1,716,100 tons of steel ingots and castings, compared to 1,710,900 tons one week ago, 1,716,100 tons one month ago, and 1,657,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 19, stated in part as follows: "Since April 15, which marked passing of the period in which rated orders as of March 22 could not be displaced by CMP orders, steel producers are in better position to appraise delivery schedules.

"Most consumers under Production Requirements Plan obtained validation of their orders and some who did not were advised by Washington that all allotment numbers would be applicable within a few days, and anticipating little delay. Those who have not been given assurance of getting allotment numbers believe they have little chance of obtaining delivery, because of the volume of CMP orders on mill books, which from now on will take precedence.

"Mills are not fully booked for second quarter on some products but small possibility exists of many PRP orders getting on schedule for this, the last quarter before the Controlled Materials Plan becomes fully effective. A number of rated orders are being cancelled outright, with mills encouraging this step as much as possible.

"Buying is less active than a month ago, a lull interpreted as a breathing period between quarters. It also is taken as indicating further efforts by consumers to pare down excess stocks before effective date of CMP.

"However, third quarter buying is increasing and in some cases allotment numbers for plain carbon steel have been received for November shipment. In case of specially treated alloy steels CMP orders have been issued for still later delivery.

"Steel warehousemen in the four Atlantic Coast zones recently set up by OPA have been compiling delivered price schedules in accordance with the new regulations and now are faced with an entire change, effective May 15, as a result of the order by the Interstate Commerce Commission, suspending to the end of the year the freight rate advance of March, 1942. New prices show little variation from those previously in effect, some being slightly higher or lower, but with no sharp changes. OPA has announced extra charges by warehouses on National Emergency steels, mainly for special treatment or quality.

"The scrap supply situation in general is easy, steelmakers being well supplied and adding to reserves in a few cases."

"The Iron Age" in its issue of today (April 22) stated, in part, as follows: "The controversy over the inspection of steel plates, which has grown into one of the most regrettable incidents on the home front in this war, appeared proceeding toward a conclusion this week. But, in the meantime, the pileup of produced but uninspected material was threatening to slow down the chain of operations in some producing areas.

"Lack of finishing space and storage space brought some plate producers face to face with the problem of what to do with slabs or ingots temporarily. Steel companies are not allowed to divert much raw steel to products other than those specified by the Government.

"The importance of plate mills, which account for a large share of present-day steel, is emphasized by the fact that third-quarter requests for steel total over 20,000,000 tons, against probable total production of 14,500,000 tons.

"There are numerous other problems in the steel industry at the present time. With an all-time high total of 95,000,000 tons of iron ore to be moved this season down the Great Lakes, carriers still are unable to break through the thick ice and it may be May 1 before full-scale operations are under way. At Washington, recommendations are being pushed for alleviating a prospective shortage of coke for blast furnaces. If ovens are to be completed on the scale deemed necessary by steel experts, construction will have to be spurred. Temporarily, at least, a number of blast furnaces are down for long-needed repairs, but when the rehabilitation is completed more coke than ever will be needed.

"Users of steel have been going through difficulties, too. Special priority assistance is likely to be offered on the basis of individual needs."

WMC Restricts Transfer Of 27 Million Workers In Essential Industries

(Continued from page 1501)

syndicates; production of motion pictures (including technical and vocational training films for the Army, Navy and War Production industries); protective signal systems which supplement fire and police protection to military, public and private industrial and commercial establishments; radio broadcasting; radio communications (radio telephone and radio telegraph); submarine cable; telegraph; telephone; television.

30. Heating, Power, Water Supply and Illuminating Services—Electric light and power, water and gas utilities; steam-heating companies.

31. Repair Services—Repair of vehicles, such as bicycles, motorcycles, automobiles; buses, trucks; tires; typewriters and business machines; elevators; shoe repairing; radios; refrigerators; clocks; harnesses; tools; stoves; pneumatic tube systems; power laundry equipment; electric appliances and motors, engines, heating equipment; scientific, commercial and industrial weighing machines; farm and other industrial scientific equipment; roofing, and electric, gas, and plumbing and heating installations in domestic, commercial and industrial buildings. Blacksmithing; armature rewinding; locksmithing. It is intended that consideration be given only to individuals qualified to render all-around repair services on the types of equipment specified herein as required for the minimum essential needs of the community.

32. Health and Welfare Services—Offices of physicians, surgeons, dentists, oculists, osteopaths, podiatrists and veterinarians; medical and dental laboratories; hospitals; nursing service; institutional care; auxiliary civilian welfare services to the armed forces; welfare services to civilians.

33. Educational Services—Public and private industrial and agricultural vocational training; elementary, secondary and preparatory schools; junior colleges, colleges, universities and professional schools, educational and scientific research agencies; and the production of technical and vocational training films.

34. Governmental Services.

35. Technical, Scientific and Management Services—The supplying of technical, scientific and management services to establishments engaged in war production; union management negotiation services; and the publication of technical and scientific books and journals.

Clare Luce Demands Heavy Tax On Rich—Sees Draft Of Women And Younger Boys

(Continued from first page)

it "if President Roosevelt will inform Congress that he really believes it to be a win-the-war measure."

She added, however, that the bill could not be administered "by the small but apparently indissolvable group of waltzing mice and pretzel benders running the Manpower Commission," and it is the knowledge of this as much as anything else that is holding up the passage of the bill in Congress.

Praising President Roosevelt's vision on international affairs, she said this was never matched "by any commensurate degree of administrative ability," with the result that poor administration from the top has percolated down into every bureau and branch of the Federal Government."

Hitting out at what she termed the "sometimes downright silly administration of the ration program," she said, "If the New Deal is indeed on the skids, those skids will be lubricated with rationed butter and goose grease."

"This is the time to get on with the war and to take whatever hard steps are necessary to win it. We all know now that the mistakes that have been made, even since Pearl Harbor, in Congress, in the bureaucracies and in the White House, have jacked up the price of this war by thousands upon thousands of lives."

Associated Press advices from Bridgeport, Conn., on April 17 had the following to say in part about Mrs. Luce's remarks concerning the drafting of women:

Mrs. Luce was very sad because the women hadn't stepped up to volunteer in sufficient numbers, and asserted, "This war is not going to be pleasant."

Mrs. Luce, declaring that she understood the Waacs, Waves and Spars still need half a million women, said: "We may have to come to drafting women to fill the auxiliary services."

United Press advices from Bridgeport, Conn., on the same day gave the following remarks of Mrs. Luce, about the drafting of 17-year-old boys:

She was asked, as a member of the House Military Affairs Committee, what she thought of proposals to draft 17-year-old youths.

"That's a brutual question," she replied, "and I'll give a brutal answer. We have gotten into such a tangle on the manpower question that drafting 17-year-olds would be the only way out."

Jesse Jones Fears For Small Business

Sees Inflation Unless Excess Money Is Siphoned Off

Secretary of Commerce Jesse Jones believes "we will have inflation, in spite of the world," unless a substantial part of $43,000,000,000 in excess purchasing power is siphoned off. He also fears the nation's small businesses are facing a dark future.

Secretary Jones, who is also head of the Federal Loan Agency, told the House Appropriations Committee during recent hearings on the Commerce Department supply bill, which was reported on April 5, that the best estimates of the national income this year set the figure at $119,000,000,000.

Associated Press Washington advices of April 5 further said:

"At current prices for the things we can buy, there would be an excess of some $43,000,000,000, which is the inflationary item in our whole economy," he testified.

He advanced no suggestion as to how best to siphon off the excess income.

The nation's economy, he said, "has not yet felt the seriousness of what is going to happen to little business, but little businesses are beginning to dry up" and as "conditions get worse and there are fewer things to buy, sell and trade in, more of them are going to dry up."

Without referring to any other agencies operating to aid small business, Mr. Jones said the Reconstruction Finance Corporation and affiliated agencies which he heads were interested in helping small industries that cannot get war work.

New Turko-German Trade Pact Reported

Associated Press advices from Ankara, on April 19, said that unofficial but well-informed quarters reported that Germany and Turkey had signed a new trade agreement involving the barter of goods estimated at approximately $30,000,000. The advices continued:

Details of the accord were not immediately disclosed. Authoritative quarters have indicated, however, that it was unlikely Turkey would sign any agreement involving shipments of Turkish chrome—the commodity in which the Germans are most vitally interested.

Dr. Karl Clodius, German economic expert, has been here negociating with Turkish authorities since March 25.

An agreement under which Turkey was to have delivered chrome to Germany last year in exchange for railway equipment and other heavy industrial products expired the end of last month. The chrome shipments never were made because Germany failed to make the required deliveries.

Reports were current, meanwhile, that Franz von Papen, German Ambassador to Turkey, would depart early in the week for a trip to Berlin for conferences with Adolf Hitler and other German leaders. Observers here linked von Papen's expected departure with recent visits of Hungarian, Rumanian and Balkan leaders to Germany.

March Retail Prices Increase Slightly, According To Fairchild Publications Index

Retail prices have shown a slight increase after remaining constant for eight consecutive months. During the month of March the composite index has gone from 113.1 to 113.2, an advance of 0.1%. This is only an increase of 0.6% over the same period last year, narrowing the spread, even though prices are still slightly higher than in 1942. The comparison with the 1939 period preceding the outbreak of war shows a 27.3% increase.

The firm's announcement, made available April 15, further stated:

"The only one of the major groups which moved during the month of March was women's apparel, 0.1%, which was mainly affected by increases in furs. This in turn gave reason for the slight advance recorded by the composite index. All the other groups remained at the same level as during the preceding month. Men's apparel for the second consecutive month has displaced piece goods in showing the largest rise over 1942, an increase of 2.5%. The smallest was recorded by home furnishings, 1.0%. Piece goods still continue to show the most advance over the 1939 period, and infants' wear the least.

"All the individual commodities remained at the same level as last month, with the exception of furs. Furs increased 0.6% during March. This brought it to the same level a year ago, thereby showing no rise over April 1, 1942. In comparison with the same period of last year men's hose and hats, and women's hose have advanced the most, furs are at the same level, and sheets and pillowcases and furniture advanced the least. Over 1939, furs continue to show the largest increase, 50.7%, and women's shoes the least, 6.8%.

"Even with the slight movement recorded by retail prices this month, the indications are that they will continue to remain around the same level in the near future, according to A. W. Zelomek, economist under whose supervision the index is compiled. Whatever movement has been shown in the individual commodities has been due to the various price regulations which permit adjustment of the ceiling prices."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

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	May. 1, 1933	April 1, 1942	Jan. 2, 1943	Feb. 1, 1943	Mar. 1, 1943	April 1, 1943
Composite Index	69.4	112.5	113.1	113.1	113.1	113.2
Piece Goods	65.1	111.8	112.2	112.2	112.2	112.2
Men's Apparel	70.7	104.2	105.3	105.3	105.3	105.3
Women's Apparel	71.8	112.1	112.6	112.6	112.6	112.7
Infants' Wear	76.4	107.5	108.1	108.1	108.1	108.1
Home Furnishings	70.2	115.1	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	84.7	84.7	84.7	84.7	84.7
Woolens	69.2	107.8	108.0	108.0	108.0	108.0
Cotton Wash Goods	68.6	142.8	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	126.7	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	134.3	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	92.7	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	139.5	140.5	140.5	140.6	140.6
Corsets & Brassieres	83.6	110.0	111.2	111.2	111.2	111.2
Furs	66.8	135.3	134.5	134.6	134.5	135.3
Underwear	69.2	102.4	102.7	102.7	102.7	102.7
Shoes	76.5	92.1	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	106.0	108.0	108.0	108.1	108.1
Underwear	69.6	114.4	114.8	114.8	114.8	109.6
Shirts & Neckwear	74.3	98.8	99.1	99.1	99.1	99.1
Hats & Caps	69.7	92.7	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	104.7	105.9	106.0	106.0	106.0
Shoes	76.3	108.3	109.6	109.6	109.6	109.6
Infant's Wear						
Socks	74.0	113.4	114.5	114.5	114.5	114.5
Underwear	74.3	103.2	103.7	103.7	103.7	103.7
Shoes	80.9	105.8	106.0	106.0	106.0	106.0
Furniture	69.4	129.1	129.2	129.2	129.2	129.2
Floor Coverings	79.9	145.2	146.8	146.8	146.9	146.9
Radios	50.6	66.7	66.8	66.8	66.8	66.8
Luggage	60.1	94.7	94.7	94.7	94.7	94.7
Electrical Household Appliances	72.5	93.5	93.5	93.5	93.5	93.5
China	81.5	110.4	110.6	110.6	110.6	110.6

NOTE—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

Electric Output For Week Ended April 17, 1943 Shows 18.4% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 17, 1943, was approximately 3,916,794,000 kwh., compared with 3,307,700,000 kwh. in the corresponding week last year, an increase of 18.4%. The output for the week ended April 10, 1943, was 16.9% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— April 17	Apr. 10	Apr. 3	Mar. 27
New England	8.9	9.4	10.0	7.5
Middle Atlantic	15.7	15.3	13.1	12.5
Central Industrial	17.0	15.0	13.1	14.8
West Central	13.8	12.4	11.0	14.2
Southern States	20.3	19.7	22.5	25.4
Rocky Mountain	14.8	10.6	12.3	12.2
Pacific Coast	30.4	26.9	24.4	26.3
Total United States	18.4	16.9	16.2	17.4

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24		3,273,190		2,950,448	1,454,505	1,699,822

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 20	118.21	109.60	118.00	115.43	110.52	96.54	100.81	112.93	115.82
19	118.21	109.60	117.80	115.43	110.52	96.69	100.98	112.93	115.82
17	108.08	109.60	117.80	115.43	110.52	96.54	100.98	112.93	115.82
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
15	118.00	109.60	117.80	115.24	110.52	96.54	100.98	112.93	115.63
14	117.85	109.60	117.80	115.24	110.52	96.38	100.81	112.93	115.63
13	117.68	109.42	117.80	115.24	110.52	96.23	100.65	112.93	115.63
12	117.51	109.60	117.80	115.24	110.52	96.38	100.81	112.93	115.63
10	117.48	109.60	117.80	115.24	110.52	96.54	100.81	112.93	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
8	117.48	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.82
7	117.46	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
6	117.44	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
5	117.51	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
3	117.38	109.60	117.60	115.43	110.52	96.85	100.98	112.93	115.63
2	117.29	109.79	117.80	115.43	110.52	96.85	100.98	113.12	115.63
1	117.20	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	118.21	109.79	118.00	115.63	110.70	96.85	101.14	113.31	115.82
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Apr. 20, 1942	118.03	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
2 Years ago									
Apr. 19, 1941	118.28	105.86	116.41	112.56	106.39	90.91	96.54	110.15	112.00

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R	P. U.	Indus
Apr. 20	1.99	3.19	2.75	2.88	3.14	3.97	3.70	3.01	2.86
19	1.99	3.19	2.76	2.88	3.14	3.96	3.69	3.01	2.86
17	2.00	3.19	2.76	2.88	3.14	3.97	3.69	3.01	2.86
16	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
15	2.01	3.19	2.76	2.89	3.14	3.97	3.69	3.01	2.87
14	2.02	3.19	2.76	2.89	3.14	3.98	3.70	3.01	2.87
13	2.03	3.20	2.76	2.89	3.14	3.99	3.71	3.01	2.87
12	2.04	3.19	2.76	2.89	3.14	3.98	3.70	3.01	2.87
10	2.04	3.19	2.76	2.89	3.14	3.97	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
8	2.04	3.18	2.75	2.88	3.14	3.95	3.68	3.00	2.86
7	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
6	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
5	2.04	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
3	2.05	3.19	2.77	2.88	3.14	3.95	3.69	3.01	2.87
2	2.06	3.18	2.76	2.88	3.14	3.95	3.69	3.00	2.87
1	2.07	3.19	2.76	2.88	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.99	3.18	2.75	2.87	3.13	3.95	3.68	2.99	2.86
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Apr. 20, 1942	1.97	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
2 Years ago									
Apr. 19, 1941	1.94	3.40	2.83	3.03	3.37	4.35	3.97	3.16	3.06

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

U. S. Invites 42 Nations To Confer On Post-War Food Supply

The State Department announced on April 10 that the United Nations conference on post-war problems will be held on May 18 at Hot Springs, Va. The United States has invited 42 nations to send representatives to the meetings and to date 25 have indicated their acceptance.

The conference was originally scheduled to be held on April 27 but the postponement to the later date was necessary in order to permit delegates to reach this country.

The invitations have been sent to the 30 other United Nations, to eight Latin-American countries associated with them in the war, and to Egypt, Iran, Iceland and Liberia. Among those who have accepted invitations are the Soviet Union, United Kingdom and China.

The five-man delegation appointed by President Roosevelt to represent the United States will be headed by Marvin Jones, Judge of the United States Court of Claims and Assistant Director of Economic Stabilization. The other delegates are Under-Secretary of Agriculture Paul H. Appleby, W. L. Clayton, Assistant Secretary of Commerce; Surgeon-General Thomas Parran of the United States Public Health Service, and Murray D. Lincoln, executive secretary of the Ohio Farm Bureau Federation. According to the Associated Press, the invitations stated:

"The purpose of the conference is to provide an opportunity for an exchange of views and information with respect to the following topics and for exploring and seeking agreement in principle as to the most desirable and practicable means and methods of dealing with the following problems:

"Plans and prospects of various countries for the post-war period regarding production, import requirements or exportable surpluses of foodstuffs and other essential agricultural products, with a view to improving progressively in each country the levels of consumption within the framework of the opportunities and possibilities of an expansion of its general economic activity. Such consideration will be entirely divorced from the question of the provision of relief.

"Possibilities of coordinating and stimulating by international action national policies looking to the improvement of nutrition and the enhancement of consumption in general.

"Possibilities of setting up international agreements, arrangements and institutions designed to promote efficient production of foodstuffs and other essential agricultural products and to insure for the world adequate supplies of such products with due consideration to the attainment of equitable prices from the viewpoint of both producers and consumers.

"Commercial, financial and other arrangements which will be necessary in order to enable the countries of the world to obtain the foodstuffs and other essential agricultural products which they will need and to maintain adequate markets for their own surplus production."

Lumber Movement—Week Ended April 10, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 449 mills reporting to the "National Lumber Trade Barometer" exceeded production by 11.3% for the week ended April 10, 1943. In the same week new orders of these mills were 7.4% greater than production. Unfilled order files in the reporting mills amounted to 95% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 16.7%; orders by 21.0%.

Compare to the average corresponding week of 1935-39 production of reporting mills was 25.9% greater; shipments were 37.8% greater, and orders were 29.9% greater.

Bittner WLB Member

President Roosevelt has appointed Van A. Bittner, of the Steel Workers of America (CIO affiliate), as a member of the War Labor Board to fill the vacancy caused by the resignation of Thomas Kennedy, Secretary-Treasurer of the United Mine Workers of America.

Mr. Kennedy's resignation was accepted by the President on April 10 with regret. He had been a member of the WLB since its creation in January, 1942. Mr. Kennedy was appointed originally as one of the two employee representatives of the CIO and retained his position after the CIO and United Mine Workers split.

Mr. Bittner has been serving as a substitute member of the WLB for several months.

Moody's Daily Commodity Index

Tuesday, April 13	246.0
Wednesday, April 14	247.1
Thursday, April 15	246.6
Friday, April 16	247.1
Saturday, April 17	247.3
Monday, April 19	246.9
Tuesday, April 20	247.2
Two weeks ago, April 6	248.6
Month ago, March 20	247.5
Year ago, April 20	231.2
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Revenue Freight Car Loadings During Week Ended April 10, 1943 Amounted To 789,018 Cars

Loading of revenue freight for the week ended April 10, 1943 totaled 789,018 cars, the Association of American Railroads announced on April 15. This was a decrease below the corresponding week of 1942, of 25,078 cars, or 3.1%, but an increase above the same week in 1941, of 109,210 cars, or 16.1%.

Loading of revenue freight for the week of April 10, increased 16,885 cars, or 2.2% above the preceding week.

Miscellaneous freight loading totaled 381,416 cars, a decrease of 1,564 cars below the preceding week, but an increase of 16,906 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 99,519 cars, a decrease of 1,447 cars below the preceding week, and a decrease of 32,848 cars below the corresponding week in 1942.

Coal loading amounted to 173,831 cars, an increase of 16,374 cars above the preceding week, and an increase of 13,220 cars above the corresponding week in 1942.

Grain and grain products loading totaled 41,959 cars, a decrease of 1,367 cars below the preceding week, but an increase of 8,098 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of April 10 totaled 28,822 cars, a decrease of 553 cars below the preceding week, but an increase of 7,846 cars above the corresponding week in 1942.

Livestock loading amounted to 13,765 cars, a decrease of 94 cars below the preceding week, but an increase of 2,648 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of April 10, totaled 10,580 cars, a decrease of 207 cars below the preceding week, but an increase of 2,133 cars above the corresponding week in 1942.

Forest products loading totaled 42,659 cars, an increase of 764 cars above the preceding week, but a decrease of 4,209 cars below the corresponding week in 1942.

Ore loading amounted to 21,196 cars, an increase of 4,061 cars above the preceding week, but a decrease of 29,811 cars below the corresponding week in 1942.

Coke loading amounted to 14,673 cars, an increase of 268 cars above the preceding week, and an increase of 918 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocohontas, Centralwestern, and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
Week of April 10	789,018	814,096	679,808
Total	11,221,066	11,799,336	10,750,195

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 10, 1943. During this period only 48 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 10

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	292	593	575	1,356	1,391
Bangor & Aroostook	2,305	2,420	2,044	228	240
Boston & Maine	6,146	8,269	8,136	15,813	14,990
Chicago, Indianapolis & Louisville	1,496	1,404	1,038	2,026	1,895
Central Indiana	36	26	9	53	61
Central Vermont	974	1,204	1,383	2,335	1,943
Delaware & Hudson	6,481	6,400	4,659	12,270	12,826
Delaware, Lackawanna & Western	7,532	8,164	9,057	11,705	10,0[illegible]2
Detroit & Mackinac	246	275	255	92	129
Detroit, Toledo & Ironton	1,597	2,151	1,480	1,461	1,424
Detroit & Toledo Shore Line	322	379	419	3.004	3,547
Erie	12.225	14,078	14,236	19.344	15,868
Grand Trunk Western	3,671	4,557	5,988	8.906	8.259
Lehigh & Hudson River	197	215	290	3,660	3,440
Lehigh & New England	2,055	2,210	1,528	1,594	1,699
Lehigh Valley	7.324	8.860	7,435	15,088	11.811
Maine Central	2.437	2.539	2,830	3,890	4.122
Monongahela	6,683	6,950	315	402	382
Montour	2,681	2,253	25	31	28
New York Central Lines	53,045	47,102	43.936	49,950	55,040
N. Y., N. H. & Hartford	9,851	11,917	10.819	19,905	19.799
New York, Ontario & Western	929	956	983	2,199	3.260
New York, Chicago & St. Louis	6,014	7,360	6,023	15,418	14,826
N. Y., Susquehanna & Western	576	555	461	2,353	1,202
Pittsburgh & Lake Erie	7.817	8.389	6,780	8,420	9 495
Pere Marquette	4,907	5,473	6,607	7,604	6,452
Pittsburg & Shawmut	943	639	160	14	36
Pittsburg, Shawmut & North	342	441	215	280	331
Pittsburgh & West Virginia	833	947	392	4,638	3,372
Rutland	330	487	651	947	1,091
Wabash	5,525	5.526	5,945	13,104	10,934
Wheeling & Lake Erie	4,990	5,642	3,449	6,990	5,061
Total	160,802	168,381	148,125	236,080	224,966
Allegheny District—					
Akron, Canton & Youngstown	843	650	629	1,367	974
Baltimore & Ohio	41,262	40.634	28,061	28,531	28.613
Bessemer & Lake Erie	2,942	4,497	2,291	1,785	2,093
Buffalo Creek & Gauley	290	284	3	3	2
Cambria & Indiana	1.872	1,818	6	22	8
Central R. R. of New Jersey	7,258	7,721	6,943	21,784	20,106
Cornwall	315	672	675	97	76
Cumberland & Pennsylvania	311	312	63	13	32
Ligonier Valley	119	132	46	41	48
Long Island	1,439	798	843	4,248	3.285
Penn-Reading Seashore Lines	1.647	1,664	1,561	3,231	2,156
Pennsylvania System	78,706	80.186	63,651	61.195	68.892
Reading Co.	15,438	15.809	15,712	30,992	28,776
Union (Pittsburgh)	20,325	20,466	20,484	4,476	4.901
Western Maryland	4,267	4,533	2,240	14,796	13,437
Total	177 033	180.176	143.208	172.581	173 399
Pocahontas District—					
Chesapeake & Ohio	29.644	28.946	8.713	12.907	13,371
Norfolk & Western	23,143	23,381	7,982	7.292	7,371
Virginian	5,099	4,647	849	2,014	2,127
Total	57.886	56.974	17.544	22,213	22 869
Southern District—					
Alabama, Tennessee & Northern	328	361	325	320	440
Atl. & W. P.—W. R. R. of Ala.	892	909	955	2,705	2,519
Atlanta, Birmingham & Coast	703	696	731	1,564	1,144
Atlantic Coast Line	15,444	13.835	13,292	11,308	9,528
Central of Georgia	4,399	4,415	4,791	5,090	4,324
Charleston & Western Carolina	470	429	464	1,782	1,906
Clinchfield	1,678	1,694	1,521	3,052	2,934
Columbus & Greenville	337	328	333	221	257
Durham & Southern	116	163	236	464	555
Florida East Coast	2,894	2,694	1,092	2,083	1,226
Gainesville Midland	44	50	42	149	158
Georgia	1,786	1,550	1,082	2.665	2,278
Georgia & Florida	357	426	404	837	596
Gulf, Mobile & Ohio	3,80[illegible]	4,082	4,002	5,574	3.677
Illinois Central System	25,759	27,301	22,306	16.818	14.881
Louisville & Nashville	25,579	26,708	15,281	11,905	10,189
Macon, Dublin & Savannah	195	172	179	930	714
Mississippi Central	223	186	189	507	454
Nashville, Chattanooga & St. L.	3,173	3,174	3,537	5.766	3,817
Norfolk Southern	1,123	1,295	1,402	1,458	1,490
Piedmont Northern	357	476	480	1,421	1,232
Richmond, Fred. & Potomac	459	553	378	10,988	9,969
Seaboard Air Line	11,456	11,591	10,126	8,892	7,267
Southern System	22,607	25,444	23,772	23,482	22,146
Tennessee Central	509	736	569	899	965
Winston-Salem Southbound	114	122	147	923	916
Total	124,805	129,390	107,636	121,803	105,582
Northwestern District—					
Chicago & North Western	17,665	20,176	20,081	12,352	11,922
Chicago Great Western	2,629	2,596	2,508	3,062	2,966
Chicago, Milw., St. P. & Pac.	18,671	20,152	18,995	10.361	9,052
Chicago, St. Paul, Minn. & Omaha	3,033	3,288	3.229	3,905	3.553
Duluth, Missabe & Iron Range	1,434	11,229	16,207	231	300
Duluth, South Shore & Atlantic	465	525	417	568	568
Elgin, Joliet & Eastern	8,460	9,890	9,562	10,668	10,029
Ft. Dodge, Des Moines & South	452	617	514	127	153
Great Northern	10,134	17,382	15,627	5,988	4,162
Green Bay & Western	441	552	515	859	696
Lake Superior & Ishpeming	623	1,839	2,474	39	80
Minneapolis & St. Louis	1,895	2,054	1,602	2,388	2,135
Minn., St. Paul & S. S. M.	4,551	6,919	5,645	3,079	3,063
Northern Pacific	8,688	10,609	9,420	5,542	4,592
Spokane International	86	138	153	612	391
Spokane, Portland & Seattle	2,295	2,718	2,507	3,152	3,147
Total	81,522	110.684	109,456	62,933	56,809
Central Western District—					
Atch., Top. & Santa Fe System	21,700	20,158	20,744	11,952	8,897
Alton	2,841	3,456	3,178	3,997	3,644
Bingham & Garfield	550	610	614	83	99
Chicago, Burlington & Quincy	18,164	15,229	14,296	12,938	9.489
Chicago & Illinois Midland	3,244	2,734	207	817	808
Chicago, Rock Island & Pacific	12,313	9,753	12,262	13,736	9,430
Chicago & Eastern Illinois	2,653	2,431	2,383	6,092	2.880
Colorado & Southern	709	835	629	2,031	1,663
Denver & Rio Grande Western	3,113	2,547	1,283	5,186	4,673
Denver & Salt Lake	564	308	161	10	17
Fort Worth & Denver City	1,004	805	1,122	2,209	1,095
Illinois Terminal	1,814	1,819	1,733	2,007	1,929
Missouri-Illinois	1,042	1,267	932	485	443
Nevada Northern	1,954	1,936	1,941	121	123
North Western Pacific	913	999	765	704	397
Peoria & Pekin Union	9	7	5	0	0
Southern Pacific (Pacific)	27,252	27,264	24,967	14,256	9,502
Toledo, Peoria & Western	237	246	334	1,649	1,006
Union Pacific System	12,866	15,002	14,479	15,760	10,748
Utah	581	366	0	2	7
Western Pacific	1,613	2,095	1,601	3,910	3,611
Total	115.136	109.867	103,636	97,945	70,461
Southwestern District—					
Burlington-Rock Island	1,035	129	157	242	167
Gulf Coast Lines	5,960	4,717	3,774	2,588	2,577
International-Great Northern	2,149	1,961	1,845	3,954	2,860
Kansas, Oklahoma & Gulf	386	256	287	1,052	861
Kansas City Southern	5,087	4,353	2,263	3,917	2,455
Louisiana & Arkansas	3,562	2,936	2,169	3,039	1,764
Litchfield & Madison	269	370	286	1,035	937
Midland Valley	525	453	452	307	224
Missouri & Arkansas	165	183	173	454	376
Missouri-Kansas-Texas Lines	5,898	5,428	4,147	7,213	3,950
Missouri Pacific	16,358	14,538	13,192	18,155	14,298
Quanah Acme & Pacific	53	124	135	288	171
St. Louis-San Francisco	8,708	7,602	7,035	8,330	7,148
St. Louis Southwestern	3,136	2,755	2,699	5,831	4,884
Texas & New Orleans	14,066	9,033	7,516	6,000	4,455
Texas & Pacific	4,335	3,663	3,938	8,110	5,236
Wichita Falls & Southern	113	94	119	24	66
Weatherford M. W. & N. W.	20	29	16	32	18
Total	71,834	58.624	50.203	70,571	52,447

Note—Previous year's figures revised.

Shipowners Liable If Sailor Hurt On Leave

The U. S. Supreme Court at Washington, on April 19, held that owners of ships must pay for "maintenance and cure" of sailors injured on shore leave, without misconduct on the seaman's part, said a special dispatch to the New York "Times" by Lewis Wood, which also said:

In his first opinion, and deciding a new principle, Justice Rutledge, latest appointee to the court, said it was the "ship's business which subjects the seaman to the risks attending hours of relaxation in strange surroundings," and thus the shipowners must bear the expenses connected with injuries suffered on shore leave.

Two cases were involved. In one, David E. Jones, leaving a Waterman Steamship Co. vessel at Philadelphia, fell in an open ditch in darkness as he walked to the street. In the other, Pedro Aguilar, returning to a vessel of the Standard Oil Co. of New Jersey at Carteret, N. J., was struck by an automobile on the premises where the ship was docked. Both men were on "authorized shore leave." Jones won in the Third Circuit Court of Appeals; Aguilar lost in the Second.

Every sitting member of the highest bench agreed with the Rutledge conclusions except Chief Justice Stone, who dissented in the Aguilar case. Justice Roberts did not participate.

In brief, Justice Rutledge decided that shore leave was a part of the ship's business, and that sailors, who lived a hard life at best, should be protected under this rule.

Discussing the cases in detail, the newest justice reviewed a dispute over the term "in the service of the ship." The sailors, said the Justice, construed this "ancient phrase" to mean that going or returning from shore leave was included whether on a ship errand or not. The owners, however, "regard the phrase more narrowly," and took the stand that to obtain maintenance and cure the seaman must "be on duty" with some task connected with the ship's business. Going ashore for personal diversion took the sailor out of the ship's service the moment he stepped off the deck, they contended.

"When the seaman's duties carry him ashore, the shipowner's obligation is neither terminated nor narrowed," Justice Rutledge stated. "When he leaves the ship contrary to orders, however, the owner's duty is ended. Between these extremes are the instant cases, raising for the first time here the question of the existence and scope of the shipowner's duty when the seaman is injured while on shore leave but without specific chore for the ship."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 17 a summary for the week ended April 10 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended April 10, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of Orders	39.653
Number of Shares	1,137,718
Dollar Value	33,369,297
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	344
*Customers' other sales	38,794
Customers' total sales	39,138
Number of Shares:	
Customers' short sales	9.162
*Customers' short sales	1,083,611
Customers' total sales	1,092,773
Dollar value	29,996,193
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	300
†Other sales	203,640
Total sales	203,940
Round-Lot Purchases by Dealers—	
Number of shares	288,920

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

NAM Opposes Bill To Unionize Supervisors

Prompt passage of pending legislation designed to prohibit establishment of foremen's unions was urged by the National Association of Manufacturers on March 30. The Association's Board of Directors in formal resolution has recorded the organization as being "opposed to any interpretation of the National Labor Relations Board which would permit foremen to unionize for the purpose of bargaining collectively with employers."

The resolution emphasized that the foremen cannot logically or practically be at the same time employees for collective bargaining purposes and supervisors for management purposes. Such dual allegiance, it was warned, could only result in friction and demoralization of war production.

Hearings are now in progress before the House Military Affairs Committee on legislation which would define foremen and other supervisory employees as being part of management and which would prohibit employers from dealing with unions admitting supervisory personnel to membership.

The NAM's Board reaffirmed a position adopted by the Association last December at its War Congress of American Industry in New York City, when it declared that "supervisory personnel and other representatives of management shall, so far as the Act (NLRA) is concerned, be treated as within the definition of employers and not within the definition of employees for the purpose of collective bargaining."

Market Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on April 10 that as of the close of business March 31, there were 1,133 bond issues aggregating $72,856,093,356 par value listed on the Stock Exchange with a total market value of $71,575,183,604. This compares with 1,133 bond issues, aggregating $72,961,678,106 par value listed on the Exchange on Feb. 27 with a total market value of $71,346,452,852.

In the following table listed bonds are classified by governmental and industrial groups with the aggregate market value and average price for each:

Group—	—March 31, 1943— Market Value $	—March 31, 1943— Average Price $	—Feb. 27, 1943— Market Value $	—Feb. 27, 1943— Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	55,073,996,140	104.10	55,153,775,740	104.25
U. S. companies:				
Amusements	38,674,807	103.56	38,498,652	103.09
Automobile	11,807,056	102.19	11,727,978	101.51
Building	13,074,178	99.75	13,541,441	100.25
Business and office equipment	15,581,250	103.88	15,487,500	103.25
Chemical	75,964,263	103.56	76,029,113	102.60
Electrical equipment	36,506,250	104.30	36,450,000	104.40
Financial	57,722,044	102.51	57,509,664	102.13
Food	235,195,808	105.04	235,754,318	105.06
Land and realty	10,694,985	79.60	10,023,958	74.60
Machinery and metals	39,867,117	100.80	39,656,875	100.27
Mining (excluding iron)	92,854,325	60.05	89,311,086	57.70
Paper and publishing	40,876,926	101.28	40,951,805	101.47
Petroleum	594,340,508	104.04	595,374,515	104.22
Railroad	7,359,178,286	72.34	7,021,723,353	69.05
Retail merchandising	11,902,043	83.27	12,158,362	84.91
Rubber	74,829,985	102.97	75,350,333	102.83
Ship building and operating	11,644,080	101.50	11,615,400	101.25
Shipping services	20,481,641	74.44	19,181,589	69.71
Steel, iron and coke	500,012,466	100.45	498,893,744	100.19
Textiles	37,560,750	103.50	37,442,750	103.01
Tobacco	147,827,162	105.00	147,909,74[illegible]	106.06
Utilities:				
Gas and electric (operating)	3,365,475,030	108.47	3,360,082,316	108.16
Gas and electric (holding)	97,776,955	102.94	97,057,438	102.18
Communications	1,220,053,238	109.00	1,219,859,578	108.99
Miscellaneous utilities	90,734,657	62.29	87,971,130	60.39
U. S. companies oper. abroad	126,892,371	70.00	123,948,572	68.38
Miscellaneous businesses	31,276,633	105.30	31,568,160	106.28
Total U. S. companies	14,358,804,814	84.81	14,005,079,377	82.70
Foreign government	1,397,935,303	64.36	1,452,938,045	63.89
Foreign companies	744,447,347	87.65	734,659,690	86.39
All listed bonds	71,575,183,604	98.24	71,346,452,852	97.79

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

1941—	Market Value $	Average Price $	1942—	Market Value $	Average Price $
Feb. 28	50,277,456,796	92.72	Mar. 31	58,140,382,211	95.97
Mar. 31	52,252,053,607	93.73	Apr. 30	57,923,553,616	95.63
Apr. 30	52,518,036,554	94.32	May 29	59,257,509,674	95.64
May 30	52,321,710,056	94.22	June 30	59,112,072,945	95.50
June 30	53,237,234,699	94.80	July 31	61,277,620,583	95.76
July 31	53,259,696,637	95.04	Aug. 31	62,720,371,752	96.08
Aug. 30	53,216,867,646	94.86	Sept. 30	62,765,776,218	96.18
Sept. 30	53,418,055,935	94.74	Oct. 31	64,843,877,284	96.48
Oct. 31	55,106,635,894	95.25	Nov. 30	64,543,971,299	96.11
Nov. 29	54,812,793,945	94.80	Dec. 31	70,583,644,622	96.70
Dec. 31	55,033,616,312	94.50	1943—		
1942—			Jan. 30	71,038,674,932	97.47
Jan. 31	56,261,398,371	95.24	Feb. 27	71,346,452,852	97.79
Feb. 28	57,584,410,504	95.13	Mar. 31	71,575,183,604	98.24

Agricultural Department General Crop Report As Of April 1

The Department of Agriculture at Washington on April 9, issued its crop report as of April 1, 1943, which we give below.

Crop prospects were lowered and farm work was delayed by the stormy weather of March and the combined effect of all weather conditions affecting this year's crop would now seem rather less favorable than average if it were not that there is a fair reserve of subsoil moisture under most of the Great Plains Area and irrigation prospects are good to excellent in most sections west of the Rockies.

Until late in March, severely cold weather, alternating with warm periods, caused extensive damage to fruit buds in States east of the Rockies and nipped tender vegetables in portions of the Gulf States. In northern States Winter wheat and clover have been extensively damaged where not protected by a snow blanket. Winter oats and Winter barley have suffered severely in parts of the South and Southwest. Heavy rains and floods have hampered work in much of the area south of the Ohio River and also in portions of North Dakota. While recent rains have helped greatly, more rain is needed in the western half of Texas, northwestern Oklahoma, most of New Mexico, western Kansas and portions of Nebraska and southern South Dakota.

Although Spring work on the farms was retarded over most of the country east of the Rockies, farmers have been making rapid progress wherever conditions permitted. Widely scattered States report unprecedented numbers of women helping in the fields. In many cases, various members of the farm families from grandfathers to school girls are taking turns to keep the tractors rolling. This type of cooperation plus the mechanization of the farms is all that will make it possible to raise an increased acreage of crops this year. Theoretically, the 1,900,000 tractors on the farms in the United States have a capacity of plowing 1,500,000 acres per hour. At that rate, if they could all be worked at once, they could do a year's plowing in two weeks of good weather. Actually the job is not so easy, for on most of the smaller farms horses and mules must continue to pull the plows. In the more important farming areas, however, there is sufficient mechanical power to do the Spring work if the tractors could be worked to capacity and the horses shifted to lighter jobs.

Present prospects are for a moderate increase in the total crop acreage in the main commercial farming areas, only slightly offset by decreases on some "sub-marginal" and "subsistence" farms and on "part-time" farms within commuting distance of industrial areas. The increases will be chiefly in crops needed to meet production goals but, owing to labor conditions, there will be local reductions in crops with high labor requirements, such as sugar beets, strawberries and commercial vegetables. Plantings will also depend more than usual on the weather.

Fruit prospects appear promising in the West and citrus trees in Florida and Texas are blooming satisfactorily, but prospects for other fruits are below average in most areas east of the Rockies. The peach crop in 10 Southern States suffered severely from Winter and Spring freezes. The reported acreages of watermelons, cantaloups and strawberries, which supplement the tree fruits on the market, are showing sharp reductions. Acreages of other vegetables reported being grown or planned for market show reductions that average about 9%. Carrots show the only significant increase.

April 1 stocks of corn and oats on farms totaled about 47,000,000 tons. This was 10% more than last year and 14% more than on any other April 1 in more than 20 years. These grains, however, are being used up rapidly, and the quantity used up between Jan. 1 and April 1 was 20% greater than in the same period last year. This increased disappearance was due in part to the 11% increase in the combined units of grain-consuming livestock and poultry on the farms.

The quantity of these grains fed or disappearing per unit of livestock was also 9% heavier than in the same period last year and the highest in more than 20 years. If this liberal feeding continues, stocks of corn and oats remaining on farms on July 1 will be down to about the 1938-41 average for that date, while units of livestock and poultry on farms are likely to be 20 to 25% above the average in those years.

Pastures have been slow in starting and the delay in the opening of the pasture season has caused an acute shortage of hay in the Pacific Northwest and local shortages in some other Western States. Western ranges show prospects that vary from barely fair in parts of the Southwest, where rain is badly needed, to very good in North Dakota and Montana, where there is enough moisture to insure a new crop of grass and enough old feed on the ranges to carry stock for the present.

Winter Wheat

Indicated production of Winter wheat of 558,551,000 bushels is 145,000,000 bushels less than last year's large crop, and near the average of 550,000,000 bushels Quite generally adverse Winter temperature and moisture conditions, and the late start of Spring growth are evidenced in the decline in prospects since December of 66,000,000 bushels.

Wheat came through the dormant stage showing widespread damage from severely low and variable Winter temperatures and limited surface moisture in some areas. Until early February, snow cover was generally sufficient for adequate protection from the low temperatures. Later, however, there were severe cold spells, and sharp changes from freezing to thawing. Much heaving and loss of acreage occurred in the area along the Ohio River, and westward through southern Illinois, Missouri and northern Arkansas. In the southern Great Plains States, shortage of surface moisture was becoming acute by April 1, and the outcome was dependent on timely rains, though alleviated somewhat by fairly adequate subsoil moisture. Some loss from green bugs is again threatened in Texas and Oklahoma. The Northwestern States suffered a severe setback because of deficient precipitation from seeding time through the Winter, low Winter temperatures and a late Spring. There was a heavy loss of Fall-sown acreage and yield prospects are low on acreage remaining for harvest. A somewhat more favorable condition exists in the Southwest, particularly in California, where condition is above average.

The loss of acreage due to Winter losses and diversion is indicated at 10.4%, compared with the 6.7% indicated on Dec. 1, 1942, and the 7.0% 1942 abandonment.

The indicated yield per seeded acre is 14.9 bushels, compared with 18.3 bushels last year and the 11.4 bushel average. Yields indicated on April 1 are lower than last year in all of the important States except California, and the three States (Indiana, Illinois and Missouri) where Winter damage to the 1942 crop was so severe. Sharply lower yields are in prospect in the Pacific Northwest.

Wheat Stocks

Stocks of wheat on farms on April 1 are estimated at 327,667,000 bushels, equal to 33.4% of last year's production. These farm reserves are one-fifth larger than the record 269,000,000 bushels on farms last April 1. Farm stocks, large in comparison with Jan. 1 reserves, are principally in an area comprising parts of Wisconsin, Minnesota and Iowa, where feed reserves apparently are being built up; in the Plains States, from North Dakota to Texas, and in Montana and Washington where the 1942 crop was large. Farm stocks are low in the eastern Corn Belt States, Ohio, Indiana and Illinois.

The January-April disappearance of wheat—167,000,000 bushels—is the largest on record for this quarter, comparing with approximately 104,000,000 bushels disappearance in the corresponding quarter last year. Movement from farms was heaviest in some central States with heavy feeding needs, and in the surplus-producing Plains States.

Corn Stocks

Farm stocks of corn on April 1, 1943, were 1,395,112,000 bushels. This is 49% above the 10-year (1932-41) average of 935,080,000 bushels and is the largest on record for this date. Disappearance of corn **from farms** during the first quarter of 1943, totaling 882,220,000 bushels, was by far the largest on record. Last year, disappearance during the same months amounted to 726,816,000 bushels—previous largest on record—while the 10-year (1932-41) average disappearance is 581,385,000 bushels.

These estimates of corn stocks cover total stocks of grain corn on farms, including carryover from previous years and corn under seal on Government loans. The quantity of sealed corn on farms in the commercial corn area, which includes all important counties in the North Central States, was approximately 116,000,000 bushels on April 1. Corn under seal on this date for previous years amounted to 262,000,000 bushels in 1942, 299,000,000 in 1941 and 451,000,000 in 1940.

Stocks on farms April 1, 1943, were equal to 48.4% of the 1942 production of corn for grain, compared with 53.0% on April 1, 1942, and 44.5%, the 10-year (1932-41) April 1 average.

In the North Central States farm stocks were 11% above those a year ago and 64% above average. Record supplies remain on farms despite the largest disappearance on record. In Iowa, stocks remain at the high level first attained in 1939. While above last year, they are less than in two other years on April 1. Stocks in Illinois are somewhat below those of a year ago, but considerably above average and sixth highest on record. In Ohio, Indiana, Michigan, Wisconsin and South Dakota April 1 stocks are the largest on record, and in Nebraska and Kansas the largest since 1933. Disappearance of corn since Jan. 1 in the North Central States was 671,134,000 bushels—28% above the previous high occurring during the first quarter of 1942.

Except for the North Central and North Atlantic States, April 1 holdings on farms in other regions of the United States were lower than a year ago, although above average in all but the South Atlantic States. Principal reductions compared to last year were in the Gulf States and most Western States.

Oats Stocks

Stocks of oats remaining on farms April 1, 1943, are estimated to total 508,208,000 bushels. This is about 76,000,000 bushels or 18% larger than the stocks on hand on April 1, 1942, and 130,791,000 bushels larger than the 10-year (1930-39) April 1 average of 377,417,000 bushels.

Rye

Condition of the 1943 rye crop was 82% of normal, about 5 percentage points lower than a year ago, but 7 points above the 1932-41 average for April 1. A very good start was made by the crop last Fall under widespread favorable conditions which resulted in a condition of 86% on Dec. 1, 1942. The slight decline in prospects since that date has been chiefly in areas where snow cover was not continuous, so that severe cold spells alternating with warmer periods resulted in damage by "heaving."

In a triangular area of 13 States, from Michigan to Montana on the north down to Oklahoma, in which approximately two-thirds of all United States rye is grown, the reported condition exceeds the average. This is also true of California, New York and the four Southeastern States which produce rye. In a group of five States touching the Ohio River the reported condition was well below average.

The only important rye-producing States in which April condition is as high as in December, 1942, are Michigan, Wisconsin and Minnesota.

Senate Rejects Ending Silver Purchases

The Senate Appropriations Committee was reported on March 18 to have stricken from the $1,200,000,000 Treasury-Post Office Appropriation Bill a House-approved amendment which would withhold funds from the Treasury for the silver purchase program.

A Senate appropriations subgroup had recommended the removal of the amendment, which provides that none of the funds in the bill could be used for the future purchase and transportation of silver under the 1934 and 1939 Silver Purchase Acts.

Senator McCarran (Dem., Nev.), leader of the fight to kill the proposal, predicted on March 4 full Committee approval, adding that he believed most of the Congressional opposition to continuation of the silver purchase program had been abated by measures taken recently.

Associated Press Washington advices March 4 reported on Mr. McCarran's remarks as follows:

He said the War Production Board had arranged to make 22,000,000 ounces of imported silver available for consumptive uses in industry and the silver trade. In addition, he pointed out that so-called "free" silver in the Treasury was being loaned to industry for such uses as bar in electrical setups.

He said the WPB had agreed to build up a stockpile of silver for any emergencies that might arise, reporting that 10,000,000 ounces thus far had been accumulated in that manner.

"We are taking care of all of the current needs for consumptive purposes and are making free silver available for non-consumptive purposes, so I can see no reason why anyone should complain at the continuance of the purchase program," he said.

It was Mr. McCarran's contention that, since there were no funds in the Treasury-Postoffice bill for the purchase of silver, the House-approved amendment had no practical effect.

House passage of the amendment was referred to in these columns March 4, page 846.

Trading On New York Exchanges

The Securities and Exchange Commission made public April 19 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended April 3, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot-dealers) during the week ended April 3 (in round-lot transactions) totaled 3,445,519 shares, which amount was 16.18% of the total transactions on the Exchange of 10,643,240 shares. This compares with member trading during the week ended March 27 of 2,815,486 shares or 15.57% of total trading of 9,041,400 shares. On the New York Curb Exchange, member trading during the week ended April 3 amounted to 567,685 shares, or 15.70% of the total volume of that Exchange of 1,808,200 shares; during the March 27 week trading for the account of Curb members of 412,870 shares was 12.49% of total trading of 1,653,125 shares.

The Commission made available the following data for the week ended April 3.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	949	683
1. Reports showing transactions as specialists	172	82
2. Reports showing other transactions initiated on the floor	217	51
3. Reports showing other transactions initiated off the floor	276	97
4. Reports showing no transactions	415	474

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED APRIL 3, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	243,600	
‡Other sales	10,399,640	
Total sales	10,643,240	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	846,350	
Short sales	124,850	
‡Other sales	702,840	
Total sales	827,690	7.86
2. Other transactions initiated on the floor—		
Total purchases	541,980	
Short sales	34,300	
‡Other sales	528,510	
Total sales	562,810	5.19
3. Other transactions initiated off the floor—		
Total purchases	346,310	
Short sales	27,560	
‡Other sales	292,819	
Total sales	320,379	3.13
4. Total—		
Total purchases	1,734,640	
Short sales	186,710	
‡Other sales	1,524,169	
Total sales	1,710,879	16.18

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED APRIL 3, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	10,790	
‡Other sales	1,797,410	
Total sales	1,808,200	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	174,240	
Short sales	8,165	
‡Other sales	187,380	
Total sales	195,545	10.23
2. Other transactions initiated on the floor—		
Total purchases	43,300	
Short sales	400	
‡Other sales	39,455	
Total sales	39,855	2.30
3. Other transactions initiated off the floor—		
Total purchases	35,315	
Short sales	385	
‡Other sales	79,045	
Total sales	79,430	3.17
4. Total—		
Total purchases	252,855	
Short sales	8,950	
‡Other sales	305,880	
Total sales	314,830	15.70
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	50	
§Customers' other sales	62,569	
Total purchases	62,619	
Total sales	51,706	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Civil Engineering Construction $93,573,000 For Week

Civil engineering construction in continental U. S. for the week totals $93,573,000. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 0.3% below the preceding week's total, and 37% under the volume for the corresponding 1942 week as reported by "Engineering News-Record" on April 15, which continued as follows:

Public construction tops last week by 1%, but is 39% lower than last year. Private work is 8 and 20% lower, respectively, than a week ago and a year ago.

The current week's construction brings 1943 volume to $1,087,844,000, an average of $72,523,000 for each of the 15 weeks. On the weekly average basis, 1943 volume is 53% below the $2,495,145,000 reported for the 16-week period last year. Private volume, $119,531,000, is 44% under last year, and public construction, $968,313,000, is down 54% when adjusted for the difference in the number of weeks.

Civil engineering construction totals for the 1942 week, last week, and the current week are:

	Apr. 16, 1942	Apr. 8, 1943	Apr. 15, 1943
Total U. S. Construction	$148,577,000	$93,841,000	$93,573,000
Private Construction	13,774,000	11,973,000	11,064,000
Public Construction	134,803,000	81,868,000	82,509,000
State and Municipal	7,631,000	5,778,000	9,251,000
Federal	127,172,000	76,090,000	73,258,000

In the classified construction groups, gains over the preceding week are in sewerage, streets and roads, and unclassified construction. Increases over a year ago are in commercial building and large-scale private housing, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $1,224,000; sewerage, $1,356,000; bridges, $60,000; industrial buildings, $895,000; commercial building and large-scale private housing, $6,696,000; public buildings, $29,015,000; earthwork and drainage, $786,000; streets and roads, $8,648,000; and unclassified construction, $44,893,000.

New capital for construction purposes for the week totals $1,258,000, and is made up entirely of State and municipal bond sales. The week's new financing brings 1943 volume to $468,146,000, a total 79.5% below the $2,435,189,000 reported for the 16-week period in 1942.

Non-Ferrous Metals—May Copper Certificates To Be Released By WPB—New Corp. To Sell Tin

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of April 15 stated: "Allocation of copper for May requirements of consumers got under way today, April 15, indicating that the program is working smoothly. The Tin Sales Corp., a subsidiary of the company operating the tin smelter in Texas, has been named agent of the Metals Reserve Co. for the sale of tin that is being produced for account of the Government. Members of the tin trade were disappointed in this action. Effective May 15, 1943, the Interstate Commerce Commission has suspended until Jan. 1, 1944, the 6% increase in freight rates that has been in effect since March 18, 1942." The publication further went on to say in part:

Copper

Copper consumers were notified today in reference to allocations for the month of May. Tonnages available for distribution will not vary greatly from those of recent months. The price situation continues unchanged.

Shipments of manufactured products from the plants of the American Brass Co. (including Toronto plant) and Anaconda Wire & Cable Co. amounted to 1,413,609,645 pounds during 1942, a new high record, the annual report of Anaconda revealed. In addition, shipments from fabricating plants operated on Government account in excess of shipments of manufactured products from company departments to those plants amounted to 225,812,861 pounds, resulting in total output of 1,639,422,506 pounds.

Preliminary development of the Castle Dome ore body and the construction of treatment plants and necessary facilities will be completed shortly, according to Sam A. Lewisohn, President of Miami Copper Co.

Lead

Discussions in Washington on April 8 between representatives of the industry and WPB are expected to result in further moderate relaxation in the controls on use of lead, the trade believes. Demand for lead has been holding at a steady rate, with the trend in consumption in some lines upward. The pigments division, however, has been somewhat depressed, owing to weather conditions and a shortage in labor for painting.

Prices were unchanged.

Zinc

The committee representing the zinc industry met with WPB officials in Washington last week to survey the supply situation particularly in reference to concentrates. Though total supply of zinc is regarded as sufficient for all war needs, the industry feels that little can be expected under present conditions to make more metal available for civilian requirements. Prime Western continues at 8¼¢, East St. Louis.

Francis H. Brownell, Chairman of Federal Mining & Smelting Co., has informed stockholders that ore formerly treated at the Gordon mill, destroyed by fire last March, is to be treated at the Eagle-Picher mill.

Aluminum

Makers of extruded aluminum are expected to raise output of various shapes used in production of aircraft by 20% through introduction of an incentive plan for workers, Charles E. Wilson, Executive Vice-Chairman of WPB, declared.

Aluminum mills have been asked to hold all orders covered by authorizations for delivery of rod and bar in March or earlier in their present position on production schedules. CMP is expected to govern on all deliveries for May and June. Orders in excess of capacity were placed earlier in the year, WPB explained.

Tin

The Tin Sales Corp., 1270 Sixth Ave., New York, a subsidiary of Tin Processing Corp., producer of tin in Texas, has been named agent for Metals Reserve Co. in the sale and distribution of tin produced at the Longhorn smelter. The sales company will operate without profit, according to Jesse Jones, Secretary of Commerce.

OPA ruled last week that maximum prices for tin anodes "are to be those of each seller in the base period of March, 1942." This action is covered in Amendment 3 to Rivised Price Schedule 17 for pig tin. The effective date of the ruling is April 16, 1943. Only a small tonnage of tin is involved. Tin anodes are used for electroplating.

Quotations for tin remain unchanged. Straits quality metal for shipment, cents per pound, was as follows:

	April	May	June
April 8	52.000	52.000	52.000
April 9	52.000	52.000	52.000
April 10	52.000	52.000	52.000
April 12	52.000	52.000	52.000
April 13	52.000	52.000	52.000
April 14	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

With the trend in consumption of virtually all war materials still upward, few in the quicksilver industry are at all concerned about the outlook for the remainder of this year. Offerings of the metal for nearby shipment from the Pacific Coast are light, pointing to a well sold-up market. Quotations continue at $196 @ $198 per flask of 76 pounds.

Silver

The Senate Silver Committee is considering a proposal to lend 3,250,000 ounces of silver to Great Britain, one-third to go into industrial applications and two-thirds into coinage. It is understood that Canada has been asked to provide an additional 1,500,000 ounces.

During the last week the silver market in London has been quiet, with the price unchanged at 23½d.

The New York Official and the U. S. Treasury prices are unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Sloan Heads Industrial Information Committee

Alfred P. Sloan, Jr., Chairman of the Board of the General Motors Corp., has been named Chairman of the National Industrial Information Committee, the National Association of Manufacturers announced on April 2. His appointment as successor to J. Howard Pew, President of Sun Oil Co., Philadelphia, was disclosed by Frederick C. Crawford, NAM President, coincident with the naming of the membership of the NIIC Governing Board appointed by Mr. Sloan. The Board includes the Chairmen of 24 Industrial Division Committees and other industrialists who serve as members-at-large.

The NIIC 1943 program was explained in detail to the members of the Governing Board by Mr. Sloan. It is pointed out that it will carry to the public, in greater emphasis than in the past, industry's broad public information program to preserve the freedom of enterprise.

Five Vice-Chairmen of the Committee are James S. Adams, President, Standard Brands, Inc., New York City; C. M. Chester, Chairman of the Board, General Foods Corp., New York City; Alfred W. Eames, President California Packing Corp., San Francisco; Ernest T. Weir, Chairman of the Board, National Steel Co., Pittsburgh, and Mr. Pew.

Third Cotton Forum To Be Held In Memphis

"Cotton in the Post-War World" will be the subject of the third National Cotton Conference-Forum under the auspices of the New York Cotton Exchange. This forum will be held at the Peabody Hotel in Memphis, Tenn., on April 29 at the invitation of the Memphis Cotton Exchange. This third forum of the New York Cotton Exchange is expected to explore and develop much material of vital significance in connection with the place of cotton and the products of cotton in the post-war world. Among the speakers already scheduled to appear are Lynn R. Edminster, Vice-Chairman, U. S. Tariff Commission; Lamar Fleming, Jr., of Anderson, Clayton & Co., Houston, Texas, and Oscar Johnson, President, National Cotton Council of America, Memphis, Tenn.

Coming at the end of the convention of the American Cotton Shippers Association during the last part of April, this forum of the New York Cotton Exchange is expected to attract large numbers from this important association's membership. It has already elicited wide interest in the City of Memphis and throughout the entire cotton belt, and it is expected that a large attendance of the membership of the Memphis Cotton Exchange, as well as shippers, merchants, planters and mill men will be on hand to listen to and participate in a discussion of one of the most important phases of the cotton problem sure to present itself at the end of the war.

Robert J. Murray, President of the New York Cotton Exchange, expressed his appreciation of the invitation of the Memphis Cotton Exchange to hold this meeting in Memphis and said that the New York Exchange welcomes this opportunity to bring its forum to the cotton belt. This is the first of a series of contemplated meetings to be held eventually throughout the South.

The first cotton forum was referred to in these columns of Feb. 4, page 500, and the second meeting was reported on in our issue of April 8, page 1311.

FDR Asks $24½ Billion For Navy During 1944

President Roosevelt has requested Congress to appropriate $24,551,070,000 for the Navy for the fiscal year of 1944. The Associated Press, indicating on April 7 that this is the largest amount ever sought, stated that it includes $3,476,800,000 for the Bureau of Ordnance, $4,286,211,000 for the Bureau of Supplies and Accounts, $1,887,000,000 to finance the shipbuilding program, $1,640,000,000 for the Bureau of Aeronautics, and $9,024,000,000 for increase and replacement of naval vessels. It is added that:

"The total compares with $23,630,000,000 appropriated last year for the Navy, but that figure covered supplemental, deficiency and emergency appropriations as well as the regular 1943 allotment of approximately $14,000,000,000.

"In addition to the other appropriations, the requested amount carries $36,897,000 for the Office of the Secretary, $523,508,000 for the Bureau of Naval Personnel, $73,000,000 for the Bureau of Medicine and Surgery, $1,960,000,000 for the Bureau of Yards and Docks, $961,058,000 for the Marine Corps, $210,000,000 for construction of floating dry docks, $467,879,000 for the Coast Guard, $5,124,000 for departmental salaries, and $2,079,100 for contingent expenses."

National Fertilizer Association Commodity Price Average Declines Fractionally

There was another fractional decline in the general level of wholesale prices last week, according to the commodity price index compiled by the National Fertilizer Association and made public on April 19. This index in the week ended April 17 declined to 135.8 from 136.0 in the preceding week. A month ago the index was 135.4 and a year ago 127.7, based on the 1935-1939 average as 100. The Association's report continued as follows:

The slight recession in the all-commodity index during the week was due principally to a continued decline in prices of some farm products during the second week following announcement on April 7 of new anti-inflation measures. Industrial commodities remained the same for the third consecutive week. Prices in the farm products group were mixed. Following an upward adjustment of corn ceilings average grain prices were somewhat higher, but the effect of that increase on the farm product group average was more than offset by decreases in cotton and livestock quotations. A fractional decline was registered by the textile index. Food prices advanced 0.3% during the week, due to higher prices for eggs, prunes, potatoes, and fluid milk. All other group indexes remained unchanged.

During the week 10 price series included in the index declined and eight advanced; in the preceding week there were 11 declines and four advances; in the second preceding week there were 16 advances and five declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Apr. 17 1943	Preceding Week Apr. 10 1943	Month Ago Mar. 13 1943	Year Ago Apr. 18 1942
25.3	Foods	139.5	139.1	137.6	125.6
	Fats and Oils	147.7	147.7	148.5	138.0
	Cottonseed Oil	159.0	159.0	160.1	159.3
23.0	Farm Products	154.3	155.6	154.9	137.7
	Cotton	200.5	202.8	199.8	193.3
	Grains	141.3	139.8	141.4	113.9
	Livestock	150.1	152.2	151.2	133.0
17.3	Fuels	122.2	122.2	121.7	117.4
10.8	Miscellaneous commodities	130.4	130.4	130.4	128.3
8.2	Textiles	151.2	151.7	151.2	149.5
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.3	152.3	152.2	151.7
1.3	Chemicals and drugs	126.6	126.6	127.1	120.7
.3	Fertilizer materials	117.9	117.9	117.6	118.7
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	135.8	136.0	135.4	127.7

*Indexes on 1926-1928 base were April 17, 1943, 105.8; April 10, 105.9; April 18, 1942, 99.5.

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced on April 13 that open-market commercial paper outstanding on March 31 amounted to $200,600,000, according to reports received by the bank from commercial paper dealers. This was a decline of $8,500,000, or 4%, from Feb. 27, 1943, and a decline of $183,700,000, or 48%, from the March 31, 1942, total. This was the thirteenth successive monthly decline.

Following are the totals for the last two years:

1943—	$	1942—	$
Mar. 31	200,600,000	Feb. 28	388,400,000
Feb. 27	209,100,000	Jan. 31	380,600,000
Jan. 30	220,400,000		
1942—		1941—	
Dec. 31	229,900,000	Dec. 31	374,500,000
Nov. 30	260,600,000	Nov. 29	387,100,000
Oct. 31	271,400,000	Oct. 31	377,700,000
Sept. 30	281,860,000	Sept. 30	370,500,000
Aug. 31	297,200,000	Aug. 30	353,900,000
July 31	305,300,000	July 31	329,900,000
June 30	315,200,000	June 30	299,000,000
May 29	354,200,000	May 31	295,000,000
Apr. 30	373,100,000	Apr. 30	274,600,000
Mar. 31	384,300,000	Mar. 31	263,300,000

Gross And Net Earnings Of United States Railroads For The Month Of January

January earnings of the railroads of the United States are very much along the lines of the earnings of other recent months, running close to the October all-time peak figures. January weather conditions, which were severe in practically all parts of the northern half of the country, were responsible in no small degree for the somewhat smaller earnings totals, and the managers of the roads have again to be congratulated for the efficient management.

Gross earnings of the railroads of the United States in January, 1943, were $671,334,151, against $480,688,115 in January, 1942, a gain of $190,646,036, or 39.66%. As operating expenses were kept at a low rate, net earnings amounted to $247,132,860 in January, 1943, as against $131,949,179 in January, 1942, an increase of $115,183,681, or 87.29%.

The ratio of expenses to earnings in January, 1943, was 63.19%, which compares with 72.55% in January, 1942. We now give you in tabular form the results for the month of January, 1943, as compared with January, 1942.

Month of January—	1943	1942	Incr. (+) or Decr. (—) Amount	%
Mileage of 132 roads	229,693	231,644	— 1,951	—00.85
Gross earnings	$671,334,151	$480,688,115	+$190,646,036	+39.66
Operating expenses	424,201,291	348,738,936	+ 75,462,355	+21.64
Ratio of expenses to earnings	(63.19%)	(72.55%)		
Net earnings	$247,132,860	$131,949,179	+$115,183,681	+87.29

In order to comprehend more clearly the significance of the 39.66% increase in railroad earnings for the month of January over the corresponding period of the previous year, we turn now to consider the general activity of business and industry. In relation to its bearing on the revenues of the railroads, we have brought together in the subjoined tabulation those figures indicative of the activity in the more essential industries, together with those pertaining to grain and livestock receipts and revenue freight carloadings for the month of January, 1943, as compared with the same month of 1942, 1941, 1932 and 1929:

January—	1943	1942	1941	1932	1929
Building ($000):					
**Constr. contracts awarded	$350,661	$316,846	$305,205	$84,798	$409,968
Coal (net tons):					
‡Bituminous	47,029,000	48,906,000	44,070,000	27,892,000	52,140,000
§Pennsylvania anthracite	4,314,000	4,532,000	4,977,000	3,897,000	7,337,000
Freight Traffic:					
¶Carloadings, all (cars)	†3,530,849	†3,858,479	†3,454,409	*2,266,771	*3,571,455
††Livestock receipts:					
Chicago (cars)	6,477	7,016	6,136	17,362	25,236
Kansas City (cars)	------	3,266	2,764	5,825	9,087
Omaha (cars)	2,606	2,480	1,792	5,478	7,272
‡‡Western flour and grain receipts:					
Flour (000 barrels)	†2,471	†2,052	†1,975	†1,695	†2,485
Wheat (000 bushels)	†40,781	†21,591	†11,827	†18,573	†25,474
Corn (000 bushels)	†39,025	†31,691	†17,695	†11,080	†43,689
Oats (000 bushels)	†7,084	†9,376	†3,949	†4,689	†11,095
Barley (000 bushels)	†10,240	†10,093	†7,805	†1,872	†4,392
Rye (000 bushels)	†1,151	†2,492	†780	†424	†1,169
Iron and Steel (net tons):					
§§Steel ingot production	7,408,744	7,303,179	6,928,085	1,634,584	5,028,196
Lumber (000 ft.):					
¶¶Production	x	*859,523	*911,903	†478,500	†1,323,297
¶¶Shipments	x	*972,463	*1,001,406	†699,866	†1,352,105
¶¶Orders received	x	*1,217,471	*1,067,060	†727,383	†1,481,187

Note—Figures in above table issued by:

**F. W. Dodge Corp. (figures for 37 States east of Rock Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years).

*Four weeks. †Five weeks. x Not available.

Glancing at the statistics assembled in the above tabulation for the month under review, we find that gains were shown by approximately one-half of the items listed. In the 37 Eastern states, total valuation of contracts awarded during January, 1943, for all types of construction amounted to $350,661,000, an 11% increase over January, 1942, but represents a 50% decrease from December. Pennsylvania anthracite and bituminous coal output recorded decreases of 218,000 net tons and 1,877,000 net tons, respectively, in comparison with the same month last year. Steel ingots and castings production increased 105,565 net tons, or 1.45% over the January, 1942, total of 7,303,179 net tons. Flour and grain arrivals were moderately active. Lumber shipments for the four weeks ended January 30, 1943, were 19% less than the average for the same period in the latest three years (1940-1942). Based on reports of identical mills for equivalent working periods, lumber shipments in the month under review were 18% and orders were 24% above production. Revenue carloadings of freight for the five weeks ended January 30, 1943, declined 327,630 cars, or 8.51%, below the corresponding period in 1942.

In turning our attention from the railroads of the country as a whole and focusing it on the roads and systems, separately, we notice that the individual totals are in consonance with the results shown in the general totals.

Of the 132 railroads reporting to the Interstate Commerce Commission, there were 90 of them which were able to surpass their 1942 gross earnings for the month of January, while 72 roads were able to translate their gross earnings into net earnings of $100,000 or more.

Examining the roads individually, we find that the Pennsylvania led the gross listing with an increase of $18,152,072, while the Atchison Topeka & Santa Fe, second in the gross, recorded the greatest gain, one of $10,242,265, in the net category. The New York Central was second in the net column with an improvement of $7,027,029 over 1942. Third place in both listings was occupied by the Southern Pacific with increases of $13,189,227 in the gross and $6,363,065 in the net. Other roads showing substantial increases were the Union Pacific, Atlantic Coast Line, Missouri Pacific and Southern Railway, all of which were able to convert a high percentage of their gains into the net column. As for decreases, the Virginian was foremost in the gross with a decline of $270,510, while the Elgin Joliet & Eastern headed the net column with a decrease of $259,027.

In the following tabulations we present the major variations of $100,000 or more, whether they be increases or decreases, in both gross and net classifications for the separate roads and systems:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF JANUARY

	Increase		Increase
Pennsylvania	$18,152,072	Central of Georgia	$875,043
Atchison Topeka & Santa Fe	13,213,715	Long Island	741,552
Southern Pacific (2 roads)	13,189,227	Alabama Great Southern	736,236
Union Pacific	12,583,036	Chicago & Eastern Illinois	731,830
New York Central	*11,064,964	Louisiana & Arkansas	706,688
Baltimore & Ohio	6,954,566	Western Pacific	668,158
New York New Haven & Hart.	6,803,917	Colorado & Southern (2 roads)	656,453
Missouri Pacific	6,548,690	Spokane Portland & Seattle	638,588
Southern	6,212,812	New Orleans & Northeastern	582,188
Atlantic Coast Line	6,137,387	Wheeling & Lake Erie	522,109
Illinois Central	5,083,161	Grand Trunk Western	420,009
Louisville & Nashville	4,980,590	Delaware & Hudson	404,592
Seaboard Air Line	4,785,694	Pittsburgh & Lake Erie	403,639
Chicago Rock Island & Pacific	4,324,294	Delaware Lackawanna & West.	386,433
Chicago Burlington & Quincy	4,130,198	Georgia	314,221
Chesapeake & Ohio	3,599,522	Chicago Great Western	279,871
Chicago Milw. St. Paul & Pac.	3,222,837	Toledo Peoria & Western	271,257
Missouri-Kansas-Texas	3,043,083	Georgia Southern & Florida	228,895
Great Northern	2,780,324	Atlanta Birmingham & Coast	207,681
New York Chicago & St. Louis	2,672,133	Chi. St. Paul Minn. & Omaha	198,284
Northern Pacific	2,591,080	West Ry. of Alabama	187,890
St. Louis-San Fran. (2 roads)	2,533,348	Atlanta West Point	183,324
Chicago & North Western	2,496,195	Minn. St. Paul Sault S. M.	172,919
St. Louis Southwestern	2,350,473	Staten Island Rapid Transit	162,690
Wabash	2,223,303	Pittsburgh & West Virginia	161,360
Lehigh Valley	2,024,826	Norfolk Southern	154,154
Erie	2,155,659	New York Susq. & Western	152,890
Denver & Rio Grande Western	2,129,464	Bangor & Aroostook	138,680
Texas & Pacific	2,119,862	Maine Central	133,674
Reading	2,114,124	Minneapolis & St. Louis	129,590
Norfolk & Western	1,814,863	Chi. Indianapolis & Louisville	123,749
Kansas City Southern	1,727,910	Gulf & Ship Island	121,682
Boston & Maine	1,447,272	Illinois Terminal	119,213
Richmond Fred. & Potomac	1,442,874	Kansas Oklahoma & Gulf	117,185
Nashville Chatt. & St. Louis	1,381,571	Northwestern Pacific	110,758
Yazoo & Mississippi Valley	1,288,792	New York Ontario & Western	103,232
Florida East Coast	1,171,090		
Gulf Mobile & Ohio	1,136,617	Total (90 roads)	$192,764,492
Central of New Jersey	1,052,845		
International Great Northern	1,048,894		Decrease
Pere Marquette	989,904	Virginian	$270,510
N. Orleans Tex. & Mex. (3 rds.)	983,914	Canadian Nat. Line in N. E.	123,300
Cinn. New Orleans & Tex. Pac.	981,683	Canadian Pac. Lines in Maine	101,130
Alton	947,648		
Western Maryland	876,441	Total (3 roads)	$499,940

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and

Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $11,468,603.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF JANUARY

	Increase		Increase
Atchison Topeka & Santa Fe	$10,242,265	Alton	$628,870
New York Central	*7,027,029	Boston & Maine	620,368
Southern Pacific (2 roads)	6,863,065	Yazoo & Mississippi Valley	615,800
Pennsylvania	6,811,395	Central of Georgia	602,628
Union Pacific	5,745,166	Pere Marquette	592,800
Atlantic Coast Line	4,932,683	Western Pacific	531,585
Missouri Pacific	4,463,089	Western Maryland	531,541
Southern	4,424,716	Spokane Portland & Seattle	467,936
Baltimore & Ohio	4,423,132	Colorado & Southern (2 roads)	453,046
Seaboard Air Line	3,594,757	Central of New Jersey	433,985
Louisville & Nashville	3,437,506	Grand Trunk Western	432,437
Chicago Rock Island & Pacific	3,000,018	Wheeling & Lake Erie	419,580
Chicago Burlington & Quincy	2,922,948	Alabama Great Southern	413,355
Illinois Central	2,699,062	Chicago & East Illinois	409,154
Chesapeake & Ohio	2,664,897	Louisiana & Arkansas	400,423
New York New Haven & Hart.	2,659,861	Pittsburgh & Lake Erie	393,016
Chicago Milw. St. Paul & Pac.	2,071,772	New Orleans & Northeastern	360,451
St. Louis Southwestern	1,912,762	Toledo Peoria & Western	271,206
New York Chicago & St. Louis	1,846,077	Georgia	226,791
Chicago & North Western	1,786,819	Delaware Lackawanna & West.	188,416
Wabash	1,597,159	Georgia Southern & Florida	186,202
Erie	1,512,095	Chicago Great Western	169,303
Northern Pacific	1,507,479	Chic. St. Paul Minn. & Omaha	141,384
Great Northern	1,444,044	Atlanta & West Point	138,694
Missouri-Kansas-Texas	1,379,869	Staten Island Rapid Transit	134,561
Texas & Pacific	1,346,946	West Ry. of Alabama	134,399
Norfolk & Western	1,302,570	Atlanta Birmingham & Coast	120,942
Denver & Rio Grande Western	1,279,583	Clinchfield	101,658
St. Louis-San Francisco (2 rds.)	1,271,957		
Richmond Fred. & Potomac	1,160,307	Total (72 roads)	$115,040,894
Lehigh Valley	1,107,442		
Reading	937,693		Decrease
Nashville Chatt. & St. Louis	906,716	Elgin Joliet & Eastern	259,027
Kansas City Southern	878,031	Virginian	253,960
International Great Northern	849,756	Duluth Missabe & Iron Range	165,049
Florida East Coast	840,638	Minn. St. Paul & S. S. M.	160,825
Cinn. New Orleans & Texas Pac.	726,979	Canadian Pas. Lines in Maine	101,014
Gulf Mobile & Ohio	672,716		
N. Orleans Tex. & Mex. (3 rds.)	669,364	Total (5 roads)	$939,875

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $7,420,045.

In order to indicate more clearly which sections of the country have been most active to the increased earnings, we turn now to our break-down of the nation as a whole. Arranging the roads in groups, or geographical divisions, according to their location, the generally favorable results recorded during the month of January are very clearly manifested. Every District into which the country is divided reported increases over a year earlier in both gross and net. The Western District once again led both categories with percentage gains of 47.52 in gross and 101.20 in net. The Southern District followed very closely with gains of 46.68% in gross and 99.79% in net.

For a detailed analysis of the totals compiled for the districts and regions, we make reference to our summary by groups which follows below. Our grouping of the roads is in conformity with the listing of the Interstate Commerce Commission. The boundaries of the various districts and regions are indicated in the footnote subjoined to the table.

SUMMARY BY GROUPS—MONTH OF JANUARY

District and Region	Gross Earnings 1943	Gross Earnings 1942	Inc. (+) or Dec. (—)	
Eastern District—	$	$	$	%
New England region (10 roads)	24,421,550	19,071,416	+ 5,350,134	+28.05
Great Lakes region (23 roads)	107,807,286	84,506,664	+ 23,300,622	+27.57
Central Eastern region (18 roads)	133,609,770	101,703,196	+ 31,906,574	+31.37
Total (51 roads)	265,838,606	205,281,276	+ 60,557,330	+29.50
Southern District—				
Southern region (26 roads)	103.554.098	66.560,185	+ 36.993,913	+55.58
Pocahontas region (4 roads)	33,387,979	26,801,230	+ 6,586,749	+24.58
Total (30 roads)	136,942,077	93,361,415	+ 43,580,662	+46.68
Western District—				
Northwestern region (15 roads)	60,975,830	48,237,264	+ 12,738,566	+26.41
Central Western region (16 roads)	143,908,956	95,647,812	+ 48,261,144	+50.46
Southwestern region (20 roads)	63,668,682	38,160,348	+ 25,508.334	+66.85
Total (51 roads)	268,553,468	182,045,424	+ 86,508,044	+47.52
Total all districts (132 roads)	671.334.151	480,688,115	+190,646,036	+39.66

Eastern District— District and Region	Mileage 1943	Mileage 1942	Net Earnings 1943 $	Net Earnings 1942 $	Incr. (+) or Dec. (—) $	%
New England region	6,602	6,646	8,386,879	5,172,198	+ 3,214,681	+ 62.15
Great Lakes region	25,912	26,041	35,123,144	20,215,694	+ 14,907,450	+ 73.74
Central East. region	24,045	24,250	38,051,651	24,058,375	+ 13,993,276	+ 58.17
Total	56,559	56,937	81,561,674	49,446,267	+ 32,115,407	+ 64.95
Southern District—						
Southern region	37,469	37,832	44,525,379	19,183,044	+ 25,342,335	+132.11
Pocahontas region	6,025	6,076	15,970,537	11,096,723	+ 4,873,814	+ 43.92
Total	43,494	43,908	60,495,916	30,279,767	+ 30,216,149	+ 99.79
Western District—						
Northwestern region	45,456	45,617	18,440,621	11,065,349	+ 7,375,272	+ 66,65
Central West. region	55,391	56,141	58,304,194	29,349,448	+ 28,954,746	+ 98.66
Southwestern region	28,793	29,041	28,330,455	11,808,348	+ 16,522,107	+139.92
Total	129,640	130,799	105,075,270	52,223,145	+ 52,852,125	+101.20
Total all districts	229,693	231,644	247,132,860	131,949,179	+115,183,681	+ 87.29

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The Western grain movement for January of the current year was somewhat heavier than the previous year.

Although downward trends were shown in oats and rye, these were more than offset by increases of 19,190,000 bushels and 7,334,000 in wheat and corn arrivals, respectively. Receipts of flour increased 419,000 barrels over 1942's aggregate of 2,052,000 barrels.

In our usual form, we now present a detailed statement of the grain traffic over the Western roads for the five weeks ended January 30, 1943, as compared with the corresponding period ended January 31, 1942:

WESTERN FLOUR AND GRAIN RECEIPTS

Five Weeks Ended Jan. 30

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1943	1,266	3,183	12,680	1,063	40	1,578
	1942	1,050	917	9,636	2,265	208	1,384
Minneapolis	1943	30	14,060	1,430	2,885	787	4,476
	1942	----	9,105	2,931	4,322	1,623	5,219
Duluth	1943	----	4,670	908	47	186	257
	1942	----	2,541	613	48	278	346
Milwaukee	1943	146	4	1,232	4	10	2,693
	1942	90	41	530	44	120	2,346
Toledo	1943	----	1,356	559	96	15	227
	1942	----	339	1,083	461	1	35
Indianapolis & Omaha	1943	----	2,434	7,453	1,000	----	35
	1942	----	1,342	5,608	1,126	61	13
St. Louis	1943	689	3,439	3,314	795	14	275
	1942	688	1,161	2,036	348	73	241
Peoria	1943	210	940	4,418	214	51	421
	1942	162	140	4,629	202	103	284
Kansas City	1943	130	7,919	4,334	504	----	----
	1942	62	4,196	3,383	184	----	----
St. Joseph	1943	----	661	1,007	274	----	----
	1942	----	337	461	266	----	----
Wichita	1943	----	1,795	----	----	----	----
	1942	----	1,280	----	----	----	----
Sioux City	1943	----	320	1,685	202	48	278
	1942	----	192	731	110	25	225
Total all	1943	2,471	40,781	39,025	7,084	1,151	10 240
	1942	2,052	21,591	31,691	9,376	2,492	10,093

In conclusion, we now furnish in the table which follows a summary of the gross and net earnings of the railroads of the country for the present year in comparison with each year back to 1909 inclusive:

Month of January	Gross Earnings Year Given	Gross Earnings Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Mileage Year Preced'g
1909	$181,027,699	$171,740,858	+ $9,286,841	+ 5.41	222,456	219,515
1910	207,281,856	180,857.623	+ 26,424,228	+14.61	229,204	225,292
1911	204,168,709	199,186,255	+ 4,982,454	+ 2.50	225,862	225,941
1912	210,704,771	213,145,078	— 2,440,307	— 1.15	237,888	239,402
1913	246,663,737	208,535,060	+ 38,128,677	+18.28	235,607	235,179
1914	233,073,834	249,958,641	— 16,884,807	— 6.76	243,732	234,469
1915	220,282,196	236,880,747	— 16,598,551	— 7.01	246,959	246 958
1916	267,043,635	220.203,595	+ 46,840,040	+21.27	247,620	247,159
1917	307,961,074	267,115.289	+ 40,845,785	+15.29	248,477	248,238
1918	282,394,665	294,002,791	— 11,608,126	— 3.95	240,046	239,882
1919	395,552,020	284,131,201	+111,420,819	+39.21	232,655	232,710
1920	494,706,125	392,927,365	+101,778,760	+25.90	232,511	232,210
1921	469,784,542	503,011,129	— 33,226,587	— 6.61	232,492	231,513
1922	393,892,529	469,195,808	— 75,303,279	—16.05	235,395	234,236
1923	500,816,521	395,000,157	+105,816,364	+26.79	235,678	235,627
1924	467,887,013	501,497,837	— 33,610,824	— 6.70	238,698	235,886
1925	483,195,642	467,329,225	+ 15,866,417	+ 3.40	236,149	235,498
1926	480,062,657	484,022,695	— 3,960,036	— 0.82	236,944	236,105
1927	485,961.345	479,841.904	+ 6,119,441	+ 1.28	237,846	236,590
1928	456,560,897	486,722,646	— 30,161,749	— 6.20	239,476	238,808
1929	486,201,495	457,347,810	+ 28,853,685	+ 6.31	240,833	240,417
1930	450,526,039	486,628,286	— 36,102,247	— 7.42	242,350	242,175
1931	365,416,905	450,731,213	— 85,314,308	—18.93	242,677	242,332
1932	274,976,249	365,522,091	— 90,545,842	—24.77	244,243	242,365
1933	228,889,421	274,890,197	— 46,000,776	—16.73	241,881	241,991
1934	257,719,855	226,276,523	+ 31,443,332	+13.90	239,444	241.337
1935	263,877,395	257,728,677	+ 6,148,718	+ 2.39	238,245	239,506
1936	298,704,814	263.862,336	+ 34,842,478	+13.20	237,078	238.393
1937	330,968,057	298,664,465	+ 32,303,592	+10.82	235,990	236,857
1938	278,751,313	330,959,558	— 52,208,245	—15.77	235,422	236,041
1939	305,232,033	278,600,985	+ 26,631,048	+ 9.56	233,824	234,853
1940	344,718,280	305,232,033	+ 39,486,247	+12.94	233,093	233,820
1941	376,628,399	344,859,189	+ 31,769,210	+ 9.21	232,431	232,825
1942	480,688,115	376,530,212	+104,157,903	+27.66	231,638	232,441
1943	671,334,151	480,688,115	+190,646,036	+39.66	229,693	231,644

Month of January	Net Earnings Year Given	Net Earnings Year Preceding	Increase (+) or Decrease (—)	%
1909	$49,900,493	$40,841,298	+ $9,059,195	+22.18
1910	56,393,506	50,062,699	+ 6,330,807	+12.65
1911	50,946,344	53,280,183	— 2,333,839	— 4.38
1912	45,940,706	52,960,420	— 7,019,714	—13.25
1913	64,277,164	45,496,387	+ 18,781,777	+41.28
1914	52,749,869	65,201,441	— 12,451,572	—19.10
1915	51,582,992	52,473,974	— 890,982	— 1.70
1916	78,899,810	51,552,397	+ 27,347,413	+53.05
1917	87,748,904	79,069,573	+ 8,679,331	+10.98
1918	17,038,704	83,475,278	— 66,436,574	—79.59
1919	36,222,169	13,881,674	+ 22,340,495	+160.94
1920	85,908,709	36,099,055	+ 49,809,654	+137.99
1921	28,451,745	88,803,107	— 60,351,362	—67.96
1922	57,421,605	28,331,956	+ 29,089,649	+102.67
1923	93,279,686	58,266,794	+ 35,012,892	+60.09
1924	83,953,867	93,366,257	— 9,412,390	—10.08
1925	101,022,458	83,680,754	+ 17,341,704	+20.72
1926	102,270,877	101,323,883	+ 946,994	+ 0.93
1927	99,428,246	102,281,496	— 2,853,250	— 2.79
1928	93,990,640	99,549,436	— 5,558,796	— 5.58
1929	117,730,186	94,151,973	+ 23,578,213	+25.04
1930	94,759,394	117,764,570	— 23,005,176	—19.53
1931	71,952,904	94,836,075	— 22,883,171	—24.13
1932	45,940,685	72,023,230	— 26,082,545	—36.21
1933	45,603,287	45,964,987	— 361,700	— 0.79
1934	62,262,469	44,978,266	+ 17,284,203	+38.43
1935	51,351,024	62,258,639	— 10,907,615	—17.52
1936	67,383,511	51,905,000	+ 15,478,511	+29.82
1937	77,941,070	67,380,721	+ 10,560,349	+15.67
1938	46,633,380	77,971,930	— 31,338,550	—40.19
1939	72,811,019	46,609,996	+ 26,201,023	+56.21
1940	88,052,852	72,810,660	+ 15,242,192	+20.93
1941	108,463,461	88,299,414	+ 20,164,047	+22.84
1942	131,949,179	108,299,877	+ 23,649,302	+21.84
1943	247,132,860	131,949,179	+115,183,651	+87.29

Social Security Discourages Industry And Self-Reliance; Encourages Dependence on State

The National Resources Planning Board's social security program, designed to be a blueprint of individual security from the cradle to the grave, is not a new aspiration, as, since the dawn of history, mankind has been in quest of security, says the First National Bank of Boston in its April "New England Letter." Continuing, the bank says: "As it is a challenge that must be faced, the question should be approached with sympathetic understanding and a keen sense of social responsibility. The bank points out that "the effect of an overall plan of social security is to transfer the rewards of industry, effort and enterprise from the productive and self-supporting to the non-productive and dependent sections of the population, and hence to discourage industry and self-reliance and to encourage dependence on the bounty of the State." It goes on to state:

"Every special favor asked of the Government for protection against the vicissitudes of life is at the price of individual freedom. For Government aid is accompanied by Government control, with the resultant growth of a Frankenstein bureaucracy that saps the vitality of the country and, if unchecked, is followed by economic collapse, as happened in Ancient Rome when the government provided bread and circus for the people.

"By guaranteeing security, there would be no incentive for a great many people to practice thrift, to save for a rainy day, or to provide for the future welfare of their children. To the indigent and shiftless this would be an invitation for a 'free ride' at the expense of the rest of the population. But there is a point beyond which the majority would have no incentive to carry the heavy burdens involved. Then we would have a situation where production would slacken and there would be less and less to share until all would be on a subsistence level. The State would have to step in and compel people to work. The utopian scheme would be swallowed up by a fascist regime. Then the 'Four Freedoms' of the Atlantic Charter and the 'Bill of Rights' under the National Resources Planning Board program would be 'gone with the wind.' To make promises that are beyond the realm of practical attainment invites cruel disillusionment, bitterness, and despair."

While stating that "the principles underlying social security are sound and communities must, within their resources, alleviate want and cushion the shock of hard times," the bank warns that "in drawing up any measure along this line it is imperative that the program be kept within the economic capacity of the nation, and that personal initiative and enterprise may not be crippled or paralyzed in the process. For if this should happen, then the very foundation of security would be seriously undermined, if not destroyed. No official data are given as to the cost of the proposed plan, but various estimates have been made, running as high as $25,000,000,000 a year. Surely such a load could not be placed upon a country that is already staggering under the colossal burden of war."

The Resources Planning Board's report was referred to in these columns on March 18, page 1017.

Loan For Art Gallery

The House passed on April 5 and sent to the White House a bill authorizing the Government to accept a permanent loan of $5,000,000 for the benefit of the National Gallery of Art.

The measure, which passed the Senate on Feb. 15, authorizes the Secretary of the Treasury to receive the loan from the A. W. Mellon Educational and Charitable Trust and to pay interest on it at the rate of 4% a year, the interest to be paid to the board of trustees of the National Gallery as an endowment fund.

The gallery and the art collection of the late Andrew W. Mellon, former Secretary of the Treasury, were presented to the Government on March 17, 1941; this was noted in our issue of March 22, 1941, page 1840.

Bank Debits For Month Of March

The Board of Governors of the Federal Reserve System issued on March 10 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	March 1943	March 1942	—3 Months Ended— March 1943	March 1942
Boston	3,226	2,869	8,691	8,192
New York	24,498	18,871	67,491	53,584
Philadelphia	3,052	2,670	8,239	7,516
Cleveland	4,206	3,583	11,540	10,136
Richmond	2,352	2,012	6,428	5,727
Atlanta	2,051	1,680	5,653	4,899
Chicago	10,338	7,923	26,672	21,599
St. Louis	1,858	1,571	5,104	4,590
Minneapolis	1,137	877	3,045	2,573
Kansas City	2,178	1,559	5,940	4,516
Dallas	1,747	1,286	4,652	3,834
San Francisco	5,610	4,251	15,456	12,146
†Total, 274 centers	62,253	49,161	168,908	139,311
*New York City	22,373	17,056	61,885	48,545
*140 other centers	34,727	27,764	92,995	78,335
†133 other centers	5,153	4,341	14,027	12,431

*Included in the national series covering 141 centers, available beginning in 1919.

†Excluding centers for which figures were not collected by the Board before May, 1942.

Cottonseed Receipts In March

On April 13, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the eight months ended with March, 1943 and 1942.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	*Received at mills Aug. 1 to Mar. 31 1943	1942	Crushed Aug. 1 to Mar. 31 1943	1942	On hand at mills Mar. 31 1943	1942
United States	4,396,273	3,858,085	3,984,986	3,492,109	483,318	496,505
Alabama	251,985	216,132	234,995	191,450	20,323	35,855
Arizona	79,793	77,715	66,639	70,496	13,545	7,436
Arkansas	466,097	471,637	394,054	410,160	83,864	86,407
California	152,238	158,276	113,945	141,025	39,468	23,746
Georgia	333,247	253,929	322,124	226,629	15,180	46,216
Louisiana	164,052	84,059	161,643	83,314	3,153	1,271
Mississippi	736,122	552,940	636,455	486,493	105,908	70,473
North Carolina	265,775	211,314	247,694	197,022	19,738	24,022
Oklahoma	218,508	238,283	217,209	226,765	5,763	12,050
South Carolina	200,631	114,765	193,986	109,400	6,592	8,373
Tennessee	376,790	393,076	321,379	338,952	64,598	74,792
Texas	1,005,883	946,763	960,164	884,269	78,674	89,688
All other States	145,152	139,196	114,699	126,134	26,512	16,170

*Does not include 81,928 and 130,529 tons on hand Aug. 1 nor 46,912 and 49,948 tons reshipped for 1943 and 1942 respectively. Does include 9,897 tons destroyed for 1943.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand Aug. 1	Produced Aug. 1 to Mar. 31	Shipped out Aug. 1 to Mar. 31	On hand Mar. 31
Crude oil	1942-43	*34,460	1,234,649	1,212,269	*116,640
(thousand pounds)	1941-42	29,708	1,082,501	1,061,220	136,764
Refined oil	1942-43	†310,191	‡1,056,104	------	†318,303
(thousand pounds)	1941-42	294,005	896,209	------	391,040
Cake and meal	1942-43	190,100	1,762,713	1,912,960	39,853
(tons)	1941-42	164,444	1,524,058	1,350,706	337,796
Hulls	1942-43	44,118	960,899	979,141	25,876
(tons)	1941-42	151,439	867,516	859,549	159,406
Linters	1942-43	43,295	‡1,198,354	942,848	‡298,801
(running bales)	1941-42	123,154	1,027,629	1,026,042	124,741
Hull fiber	1942-43	229	27,776	26,917	1,088
(500-lb. bales)	1941-42	1,834	25,415	25,684	1,565
Grabbots, motes, &c.	1042-43	23,644	53,579	48,185	29,038
(500-lb. bales)	1941-42	6,183	47,084	26,727	26,540

*Includes 24,484,000 and 74,984,000 pounds held by refining and manufacturing establishments and 2,118,000 and 11,418,000 pounds in transit to refiners and consumers Aug. 1, 1942 and March 31, 1943 respectively.

†Includes 3,620,000 and 20,407,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 1,389,000, and 7,847,000 pounds in transit to manufacturers of shortening, soap, etc., Aug. 1, 1942 and March 31, 1943 respectively. Does not include winterized oil.

‡Produced from 1,131,806,000 pounds of crude oil.

§Total linters produced includes 15,516 bales first cut, 86,069 bales second cut and 1,096,769 bales mill run. Total held includes 9,160 bales first cut, 19,663 bales second cut and 269,978 bales mill run.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	95	90
Apr. 10	153,260	153,006	510,784	95	91

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal and lignite in the week ended April 10 is estimated at 12,400,000 net tons, an increase of 1,250,000 tons over the holiday week preceding, and compares with an average weekly output of 12,546,000 tons in March. Production in the week ended April 11, 1942 amounted to 11,112,000 net tons. For the current year to date, output of bituminous coal and lignite was 7.3% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended April 10, 1943 was estimated at 1,362,000 tons, an increase of 5,000 tons (0.4%) over the preceding week. When compared with the output in the corresponding period of 1942, there was an increase of 250,000 tons, or 22.5%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 10 showed a decrease of 2,900 tons when compared with the output for the week ended April 3. The quantity of coke from beehive ovens increased 25,400 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

In Net Tons (000 omitted)

Bituminous coal and lignite—	—Week Ended— Apr. 10 1943	Apr. 3 1943	Apr. 11 1942	—January 1 to Date— Apr. 10 1943	Apr. 11 1942	Apr. 10 1937
Total, incl. mine fuel	12,400	11,150	11,112	170,240	158,674	142,743
Daily average	2,067	†2,027	1,852	2,015	1,862	1,697
*Crude Petroleum— Coal equivalent of weekly output	6,325	6,275	5,676	88,962	91,153	75,670

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †April 1, "Eight-Hour Day," weighted as 0.5 of a normal working day.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn. anthracite—	—Week Ended— §Apr. 10 1943	Apr. 3 1943	Apr. 11 1942	—Calendar Year to Date— Apr. 10 1943	Apr. 11 1942	Apr. 13 1929
*Total incl. colliery fuel	1,362,000	1,357,000	1,112,000¶	17,435,000	15,915,000	20,730,000
†Commercial production	1,308,000	1,303,000	¶1,068,000¶	16,737,000¶	15,278,000	19,237,000
Beehive coke— United States total	181,000	155,600	152,100	2,287,200	2,145,800	1,780,500
By-product coke— United States total	1,229,700	1,232,600	1,158,300	17,423,300	16,878,400	‡

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable date not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	—Week Ended— Apr. 3 1943	Mar. 27 1943	Apr. 4 1942	Apr. 5 1941	Apr. 3 1937	April avge. ¶1923
Alabama	363	380	343	111	239	412
Alaska	6	6	5	3	2	**
Arkansas and Oklahoma	78	104	48	17	38	70
Colorado	131	174	112	60	125	184
Georgia and North Carolina	1	1	1	††	††	**
Illinois	1,403	1,575	1,073	356	933	1,471
Indiana	528	r530	434	174	324	514
Iowa	51	61	57	31	75	100
Kansas and Missouri	159	171	143	110	159	138
Kentucky—Eastern	853	961	885	242	648	620
Kentucky—Western	268	328	208	251	203	188
Maryland	39	43	41	9	47	52
Michigan	5	9	4	††	4	22
Montana (bituminous and lignite)	81	92	59	51	49	42
New Mexico	37	43	30	20	32	59
North and South Dakota (lignite)	41	63	42	23	35	**16
Ohio	669	781	562	149	390	766
Pennsylvania (bituminous)	2,053	r2,972	2,727	728	1,772	3,531
Tennessee	126	158	132	60	106	121
Texas (bituminous and lignite)	6	6	4	7	14	20
Utah	131	137	70	26	57	70
Virginia	398	428	392	135	213	249
Washington	26	30	37	31	26	35
*West Virginia—Southern	2,060	2,391	2,101	462	1,249	1,256
†West Virginia—Northern	863	1,004	832	216	430	778
Wyoming	173	201	116	108	71	116
‡Other Western States	1	1	††	††	††	**6
Total bituminous and lignite	11,150	12,650	10,458	3,380	7,241	10,836
§Pennsylvania anthracite	1,357	1,341	880	679	1,092	1,974
Total all coal	12,507	13,991	11,338	4,059	8,333	12,810

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

r Revised.

March Life Insurance Sales Increase

The sales of ordinary life insurance in the United States in March amounted to $631,863,000, an increase of about 12% from the volume sold in the corresponding period of 1942, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first three months of 1943, however, aggregates $1,626,553,000, which is about 27% below the amount sold in the same period of 1943.

The sales volume and the ratio for all sections are reported by the Bureau as follows:

	MARCH 1943 Sales Volume in $1,000	Ratios '43-'42 All Cos.	YEAR TO DATE Sales Volume in $1,000	Ratios '43-'42 All Cos.
U. S. Total	$631,863	112%	$1,626,553	73%
New England	48,103	112	124,260	70
Middle Atlantic	166,717	115	440,689	69
E. N. Central	146,476	112	372,060	74
W. N. Central	60,335	110	156,582	76
S. Atlantic	62,379	115	155,748	74
E. S. Central	26,192	102	64,045	71
W. S. Central	44,098	95	115,466	72
Mountain	17,803	119	44,353	84
Pacific	59,760	111	153,350	78

Market Transactions In Govts. For March

During the month of March, 1943, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $72,927,750. Secretary Morgenthau announced on April 15. This compares with net sales of $90,300,000 in February.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1941—	
March	No sales or purchases
April	$743,350 sold
May	200,000 sold
June	447,000 purchased
July	No sales or purchases
August	No sales or purchases
September	$2,500 sold
October	200,000 sold
November	No sales or purchases
December	$60,004,000 purchased
1942—	
January	$520,700 sold
February	29,980,000 purchased
March	5,814,450 purchased
April	300,000 purchased
May	16,625 purchased
June	250,000 sold
July	2,295,000 sold
August	8,446,000 sold
September	4,500,000 sold
October	1,000,800 sold
November	No sales or purchases
December	No sales or purchases
1943—	
January	$14,500,000 sold
February	90,300,000 sold
March	72,927,750 sold

Further Cuts In Newsprint Use Depends On Economies

Postponement of further curtailment of supplies of newsprint to newspapers depends in large measure on the economical use of present supplies by the industry, W. G. Chandler, Director of the Division of Printing and Publishing of the War Production Board, said on March 31.

Announcing the procedure to be followed in administering the Board's limitation order 240 during the second quarter of 1943, Mr. Chandler said any request for exception to the order must be supported by facts indicating that adherence would constitute an unreasonable hardship. Each such request, it was stated, would be considered on its own merits.

In Washington advices of March 31 to the New York "Times," it was stated:

In making such requests publishers should set forth in detail whether conservation measures have been carried out and the nature of the measures, this to be accompanied by a specimen copy of their newspapers. The following information is also required:

The amount of print paper used during the second quarter of 1941 in printing net paid circulation only, to which 3% may be added for production waste.

An estimate in specific number of tons of minimum requirements for second quarter of 1943.

Additional information sought is for the second quarter of 1941 and the first quarter of 1943 is as follows:

Gross tons or pounds of print paper used, whether in publishers' plant or used for supplements produced for the publishers by others, but not to include paper used in commercial printing, or in printing publications for others.

Net press run by months and the quarterly averages.

Net paid circulation by months (according to ABC standards) and the quarterly averages.

Percent of difference between net press run and net paid circulation for each quarter.

Average number of pages each month for morning, evening or Sundays issues separately (including all supplements).

Total number of lines or inches of paid advertising and percentage to total space.

Total number of lines or inches of unpaid content and percentage to total space.

The WPB's deferment of a second cut in newsprint was reported in our issue of March 25, page 1120.

From Washington

(Continued from first page)

principal complex which explains, at least to an extent, the conflicting utterances that come from him day after day, utterances that have just about caused the head of a family, of draft age, to go clean nuts.

The accepted rule of civilization that the unmarried youngster should go out and fight to protect the home, or the family unit, outrages the director who is not to be confused with the chocolate bar manufacturer, except that the director is associated with war and during a war the civilians have difficulty in getting chocolate bars. The director has felt strongly on this subject for a long time. There is simply no sense, he holds, in the rule that the young unmarried man who hopes to establish a family in the future, should be called upon to defend the family already established anymore than that the latter should be called upon to defend him. So, regardless of what may be the director's conscious purpose in frequently threatening and warning the family heads that they are headed for the armed forces, his sub-conscious purpose is to keep them squirming. He can no more resist this than the killer with the uncontrollable urge to kill.

* * *

Poor old Donald Nelson is in another stew. Just as a Federal grand jury in Pittsburgh got down to investigating charges that Carnegie Steel turned out steel that didn't come up to specifications, he calls upon war production industries not to try to be so precise and perfect. Speed is what is needed. This is exactly what Carnegie Steel had contended.

In the agitation of Washington some of Nelson's bright young men are believed to have slipped something over on him. When the question of making his statement was put up to him he did not relate it to the pending Carnegie case. But it was immediately tied up with it and the Leftists are saying Nelson was deliberately trying to help despicable and evil-doing industry.

Nobody goes to the assistance, they contend, of the eight workers in the Bethlehem shipbuilding yards, who have been arrested as saboteurs for doing inferior work, when it seems their only motive was speed and incentive payments. Incentive payments incidentally, are in violation of the zone agreements under which shipyard employees work. Labor leaders, particularly those of the AFL, have long opposed incentive payments and they have been charged with trying to hold down a man's output. The predicament of the Bethlehem workers is likely to check the agitation in Congress for these incentive payments.

* * *

A commentary on something or the other in these hectic times is the agitation by Harry Bridges against the armed services and management alike on the Pacific Coast. Army, Navy and management are grossly inefficient in loading vessels, he contends. Harry has been making these charges for a long time and has succeeded in getting CIO President, Phil Murray, to take them up. They have no relation, of course, to the fact that Harry has been ordered deported as a Communist. A few weeks ago, he and his associate, Joe Curran, boss of the Atlantic seaboard seamen, were behind the agitation to prevent Admiral Land's reappointment as head of the Maritime Commission. Joe's main grievance against the Admiral is that the latter won't remove the navy gun crews from merchant ships and let Joe's men man the guns. The Admiral, on the other hand, is seriously disturbed about the Communist element in Joe's organization, particularly the Communist strength among the radio operators.

Daily Average Crude Oil Production For Week Ended April 10, 1943 Up 31,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 10, 1943 was 3,948,950 barrels, a gain of 31,250 barrels over the preceding week and 405,550 barrels per day higher than in the corresponding period last year. The current figure, however, was 237,150 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of April, 1943. Daily output for the four weeks ended April 10, 1943 averaged 3,916,650 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,677,000 barrels of crude oil daily and produced 10,182,000 barrels of gasoline; 3,823,000 barrels of distillate fuel oil, and 7,681,000 barrels of residual fuel oil during the week ended April 10, 1943; and had in storage at the end of that week 93,212,000 barrels of gasoline; 30,906,000 barrels of distillate fuels and 67,185,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. W. A. Recommendations April	*State Allowables Begin. April 1	Actual Production Week Ended April 10, 1943	Change from Previous Week	4 Weeks Ended April 10, 1943	Week Ended April 11, 1942
Oklahoma	379,300	379,300	†344,100	+ 100	344,050	393,400
Kansas	309,900	309,900	†309,300	— 5,500	312,100	236,100
Nebraska	2,600	------	†2,200	— 50	2,250	4,300
Panhandle Texas			91,000	+ 2,400	89,200	101,900
North Texas			134,950	— 2,050	136,500	115,800
West Texas			214,250	— 3,850	217,150	187,400
East Central Texas			99,700	— 100	99,750	79,300
East Texas			319,800	— 3,600	322,500	225,700
Southwest Texas			188,500	+ 15,050	176,950	152,100
Coastal Texas			340,550	—12,050	349,850	235,350
Total Texas	1,502,000	‡1,500,342	1,388,750	— 4,200	1,391,900	1,097,550
North Louisiana			88,950	— 200	89,100	81,650
Coastal Louisiana			257,900	+ 7,300	252,400	255,350
Total Louisiana	359,300	379,300	346,850	+ 7,100	341,500	337,000
Arkansas	78,600	¶74,826	71,250	+ 600	70,900	73,550
Mississippi	50,000		55,000	+ 550	55,350	99,050
Illinois	251,900		268,800	+ 32,850	240,600	299,400
Indiana	16,000		15,950	----	15,400	18,350
Eastern (not incl. Ill. and Indiana)	114,300		92,200	— 5,600	94,600	101,850
Michigan	63,700		60,800	+ 4,700	57,250	56,850
Wyoming	97,100		89,900	— 700	90,500	92,300
Montana	24,600		20,250	+ 2,450	18,400	21,600
Colorado	7,400		6,300	+ 200	6,600	4,850
New Mexico	105,700	105,700	97,300	+ 4,850	93,650	79,250
Total East of Calif.	3,362,400		3,168,950	+ 36,950	3,135,050	2,915,400
California	823,700	§823,700	780,000	— 5,700	781,600	628,000
Total United States	4,186,100		3,948,950	—31,250	3,916,650	3,543,400

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in January, 1943, as follows: Oklahoma, 27,900; Kansas, 5,800; Texas, 101,100; Louisiana, 19,800; Arkansas, 2,500; Illinois 10,300; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,300; Montana, 400; New Mexico, 5,700; California, 42,500.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. April 7.

‡This is the net basic allowable as of April 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 15 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

¶March 1 allowable; April not available.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 10, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,683	68.9	4,682	40,483	13,690	10,161
Appalachian	177	84.8	155	87.6	409	2,468	905	457
Ind., Ill., Ky.	811	85.0	690	85.1	2,045	20,073	3,336	2,275
Okla., Kansas, Mo.	416	80.1	329	79.1	1,007	7,254	1,614	1,341
Rocky Mountain	147	48.0	95	64.6	296	2,051	346	480
California	817	89.9	725	88.7	1,743	20,883	11,015	52,471
Tot. U. S. B. of M. basis April 10, 1943	4,812	86.2	3,677	76.4	10,182	†93,212	20,906	67,185
Tot. U. S. B. of M. basis April 3, 1943	4,812	86.2	3,624	75.3	10,361	93,409	20,732	67,483
U. S. Bur. of Mines basis April 11, 1942			3,502		10,718	105,566	29,567	81,947

*At the request of the Petroleum Administration for War. †Finished 82,960,000 barrels; unfinished, 10,252,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,823,000 barrels of gas oil and distillate fuel oil and 7,681,000 barrels of residual fuel oil produced in the week ended April 10, 1943, which compares with 3,903,000 barrels and 8,209,000 barrels, respectively, in the preceding week, and 3,267,000 barrels and 6,869,000 barrels, respectively, in the week ended April 11, 1942.

January Home Mortgage Recordings Lower

The Federal Home Loan Bank Administration announces that the downward trend in mortgage financing activity, noted early in 1942, continued in January of this year with a decrease of 14% from the previous month. Although largely seasonal in nature, the reduction of $37,000,000 from December brought mortgage recordings to the lowest level for comparable months since the beginning of the series in 1939, and registered the least volume for any one month since February of that year. The 77,228 non-farm mortgages of $20,000 or less recorded in January amounted to approximately $228,000,000—less by $93,000,000 or 29%, than in January, 1942. It is apparent that restrictions on privately-financed construction and, more recently, regulations on the sale of tenant-occupied properties are continuing to exert restraining influences on mortgage lending.

The FHLB agency's announcement further stated:

"Only slight changes in the relative participation of the various types of lenders in the total mortgage market occurred from December. Savings and loan associations accounted for 28% of total January recordings; individuals were second with 22%; banks and trust companies accounted for 21%, other lenders 16%, insurance companies 9%, and mutual savings banks 4%. The greatest decreases in volume were shown for mutual savings banks and "others" with recordations of 76% and 81%, respectively, of their December volume. Currently, savings and loan associations, insurance companies, and banks and trust companies each recorded approximately 86% of December volume. Mortgage lending by individuals indicated relative stability with recordings for this class equal to more than 93% of their total for December."

Type of Lender	January 1943 Volume (000)	January 1943 % of Total	% Chg. from Dec.	January 1942 Volume (000)	January 1942 % of Total	% Chg. Jan.'42 Jan.'43	January 1941 Volume (000)	January 1941 % of Total	% Chg. Jan.'41 Jan.'43
S. & L. Assns.	$64,935	28.4	—14.0	$90,572	28.2	—28.3	$89,996	29.3	—27.8
Ins. Cos.	19,900	8.7	—14.6	31,062	9.7	—35.9	27,691	9.0	—28.1
Bks. & Tr. Cos.	48,640	21.3	—14.7	77,631	24.1	—37.3	78,977	25.7	—38.4
Mut. Svg. Bks.	8,045	3.5	—24.4	13,523	4.2	—40.5	12,931	4.2	—37.8
Individuals	50,583	22.2	— 6.7	59,033	18.4	—14.3	53,891	17.5	— 6.1
Others	36,180	15.9	—19.1	49,575	15.4	—27.0	44,154	14.3	—18.1
Total	$228,283	100.0	—14.0	$321,396	100.0	—29.0	$307,640	100.0	—25.3

Selected Income And Balance Sheet Items Class I Railways For January

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of January 1943 and 1942, and the 12 months ending with December, 1942 and 1941.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for class A switching and terminal companies. The report is as follows:

Income Items—	All Class I Railways For the Month of January 1943	1942	For the 12 Months of 1942	1941
Net ry. operat. income	$105,339,659	$66,811,554	$1,480,969,669	$998,286,704
Other income	13,021,923	12,633,725	182,565,843	176,948,215
Total income	118,361,582	79,445,279	1,663,535,512	1,175,234,919
Miscellaneous deductions from income	2,120,428	2,430,550	45,838,991	31,952,202
Income available for fixed charges	116,241,154	77,014,729	1,617,969,521	1,143,282,717
Fixed charges:				
Rent for leased roads and equipment	14,268,816	13,582,999	181,122,978	152,423,197
*Interest deductions	36,580,443	37,119,092	446,214,403	466,768,165
Other deductions	122,007	117,174	1,436,769	1,450,097
Total fixed charges	50,971,271	50,819,265	628,774,150	620,641,459
Inc. after fixed charges	65,269,883	26,195,464	988,922,371	522,641,258
Contingent charges	2,290,053	2,249,496	30,061,716	21,248,182
†Net income	62,979,830	23,945,968	958,860,655	501,393,076
Depreciation (way and structures and equip.)	26,509,637	17,752,688	247,403,405	221,015,791
Amortization of defense projects	9,381,888	3,861,700	91,958,827	8,344,714
Federal income taxes	87,943,317	19,817,793	758,867,301	172,597,269
Dividend appropriations:				
On common stock	*2,360,000	5,134,507	161,377,945	158,400,722
On preferred stock	2,611,421	2,486,397	34,427,287	27,445,004
¶Ratio of income to fixed charges	2.28	1.52	2.57	1.84

Selected Asset Items—	All Class I Railways Balance at End of January 1943	1942	Class I Railways Not in Receivership or Trusteeship Balance at End of January 1943	1942
Investments in stocks, bonds, etc., other than those of affiliated companies	$540,513,456	$466,589,020	$516,246,560	$449,885,720
Cash	$989,326,582	$719,320,754	$693,991,695	$536,437,591
Temporary cash investments	760,110,885	135,679,382	641,982,503	127,563,019
Special deposits	136,848,760	190,581,896	92,324,456	148,646,109
Loans and bills receivable	316,083	1,200,262	263,079	1,020,996
Traffic and car-service balances (Dr.)	41,685,747	29,609,347	34,523,267	26,340,819
Net balance receivable from agents and conductors	158,564,924	86,660,434	131,157,230	71,914,143
Miscellaneous accounts receivable	489,139,879	217,872,731	387,280,109	172,871,423
Materials and supplies	504,329,113	481,481,530	405,272,140	388,235,938
Interest and dividends receivable	14,768,094	14,018,438	13,475,425	12,378,155
Rents receivable	1,301,016	1,058,366	766,642	705,603
Other current assets	14,930,231	22,225,163	10,047,920	20,749,489
Total current assets	3,111,321,314	1,899,708,303	2,411,084,466	1,506,913,295
Selected Liability Items—				
‡Funded debt maturing within six months	$128,350,915	$108,248,839	$109,052,632	$95,625,880
§Loans and bills payable	$15,427,753	$53,764,515	$1,103,650	$3,764,750
Traffic and car-service balances (Cr.)	117,723,333	56,071,210	76,590,918	40,179,629
Audited accounts and wages payable	345,011,072	297,087,443	276,706,271	239,724,505
Miscellaneous accounts payable	71,120,498	48,889,002	52,421,008	34,335,578
Interest matured unpaid	35,533,369	56,982,231	27,938,740	51,733,091
Dividends matured unpaid	6,499,186	5,612,405	6,157,020	5,260,142
Unmatured interest accrued	69,858,046	74,112,631	63,352,248	64,630,581
Unmatured dividends declared	13,418,193	8,432,331	13,418,193	8,432,331
Unmatured rents accrued	18,992,369	17,871,959	15,962,853	15,995,923
Accrued tax liability	1,104,905,435	384,440,779	985,758,893	343,671,693
Other current liabilities	63,044,694	53,629,925	47,543,310	40,751,816
Total current liabilities	1,861,533,948	1,056,894,431	1,566,953,104	848,480,044
Analysis of accrued tax liability:				
U. S. Government taxes	977,385,772	271,169,162	883,353,101	252,969,458
Other than U. S. Government taxes	127,519,663	113,271,617	102,405,792	90,702,240

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: January, 1943, $48,182,957; January, 1942, $22,619,236; for the twelve months ended December, 1942, $785,367,066; twelve months ended December, 1941, $482,466,746. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. ¶For railways in receivership and trusteeship the ratio was as follows: January, 1943, 2.20; January, 1942, 1.17; twelve months, 1942, 2.18; twelve months, 1941, 1.18. §Includes obligations which mature not more than two years after date of issue.

Items About Banks, Trust Companies

Under the direction of the New York Chapter of the American Institute of Banking, a symposium on "Current World Problems" has been arranged for the evening of April 28, at 7:45 p.m., to be held at the Chapter headquarters, Woolworth Building, 233 Broadway, New York City. The speakers will be:

Mrs. Linda Littlejohn, Australian interpreter of world affairs.

Miss Lee Ya-Ching, Chinese aviatrix.

Mrs. Gwen Priestwood, English journalist, recently escaped from a Japanese prison.

Mrs. Mildah Polia, of the "Free French," who will be interviewed on her experiences in France after the occupation.

Louis H. Pink, President of the Associated Hospital Service of New York, has been elected a Director of the Railroad Federal Savings and Loan Association of New York, it was announced on April 19 by George L. Bliss, President of the Association. Mr. Pink, who served as New York State Superintendent of Insurance from 1935 to 1943, was a member of the State Housing Board from 1926 to 1934, a member of the New York Municipal Housing Authority in 1934 and 1935, and was Chairman of the New York State Board of Housing from 1937 to 1939. He is a Trustee of St. Lawrence University and of Brooklyn Law School, Treasurer of the New York Child Labor Committee, and Chairman of the Board of the National Public Housing Conference.

Henry A. Fox, formerly Vice-President of Universal Credit Corp. of Detroit, has been elected a Vice-President of The Continental Bank & Trust Co. of New York, it was announced on April 19 by Frederick E. Hasler, Chairman and *President*. Mr. Fox, who is in charge of the correspondent banks division of the Continental, began his duties this week. He had been in charge of banking operations for Universal Credit Corp.—one-time subsidiary of Ford Motor Co. and now owned by Commercial Investment Trust Corp.—for the last 14 years, having entered the employ of the Company as Assistant Treasurer in 1929. Before that he was with the Industrial Acceptance Corp. as Assistant Treasurer in charge of commercial paper sales and traveled throughout the country contacting the company's various sales representatives.

George F. Trefcer, Assistant Vice-President of the Bankers Trust Co., New York City, has completed 50 years' service with that institution. Mr. Trefcer is connected with the Bond Department of the Bankers Trust Co.

John A. Burns, a Vice-President in the Trust Department of the Chase National Bank of New York, died on April 15 at St. Luke's Hospital, New York, after an illness of several months. Mr. Burns, who was well known in New York fiduciary and banking circles, was 53 years of age. He resided in New Rochelle.

Educated in Cold Spring, N. Y., where he was born Aug. 16, 1889, Mr. Burns came to New York in 1906 and obtained his first position as a messenger with the Knickerbocker Trust Co., remaining with that bank and its successor, the Columbia Trust Co., until 1917. Mr. Burns joined the Mercantile Trust Co. as Assistant Secretary upon its organization in 1917, and in December, 1918, was appointed Trust Officer. He continued in this capacity after the merger of the Mercantile Trust Co. with the Seaboard National Bank in April, 1922. In January, 1925, he was appointed a Vice-President, an office he held continuously through the mergers of the Seaboard with the Equitable Trust Co. in September, 1929, and the consolidation of the Equitable with the Chase National Bank in June, 1930.

In recent years Mr. Burns served two terms as President of the Corporate Fiduciaries Association of New York, and during the past year was President of the Trust Division of the New York State Bankers Association. He was one of the founders of the Tax Payers League of New Rochelle, where he was interested in civic affairs and civilian defense activities. Mr. Burns was a director in many corporations, among them the York Safe & Lock Co. of York, Pa., and the Maryland Bolt & Nut Co. of Baltimore.

The South Shore Trust Co., Rockville Centre, Long Island, N. Y., is again ready to finance war bond purchases for as much as one year, according to an announcement by George W. Loft, President of the institution. This plan in Government bond financing is part of the company's all-out effort to put over the new $13,000,000,000 Second War Loan. It is similar to the plan incorporated by the South Shore Trust Co. last December on the First War Loan drive. Under the plan, the company arranges the subscription for the 2% or 2½% War Loan Bonds and, if necessary, will advance the required purchase funds, which are repayable over a period of up to one year at a cost to the subscriber of 2% per annum on declining balances.

Melvin H. Baker, President of the National Gypsum Co., has been elected a Director of the Manufacturers & Traders Trust Co., Buffalo, N. Y. Mr. Baker is one of the founders of the National Gypsum Co. and has been President of the firm since 1928.

The Board of Directors of the Casco Bank & Trust Company of *Portland, Maine*, announces the election of Leonard F. Timberlake as President.

J. C. Klinginsmith, associated with investment and banking interests in Pittsburgh for many years, has been elected Executive Vice President of the National Chautauqua County Bank of Jamestown, N. Y.

The following was reported in a recent issue of the Pittsburgh "Post-Gazette":

"He was Pittsburgh manager of Harris, Forbes & Co. for a number of years and later became associated with the Peoples-Pittsburgh Trust Co. He left there to become an officer in Pennsylvania Industries, Inc., and Pennsylvania Bankshares and Securities Corp. During that period he was an officer or director of Arsenal Bank, Neville Coke & Chemical Co., Peoples National Bank, Tarentum; Bridgeville Trust Company, Bridgeville; First National Bank, Oakdale; First National Bank, Etna; National Bank of Smyrna, Smyrna, Del., and Kentucky Natural Gas Co., Owensboro, Ky."

The State Bank of Defiance Co., Defiance, Ohio, has been admitted to membership in the Federal Reserve System, it was announced on April 8 by M. J. Fleming, President of the Cleveland Federal Reserve Bank. Incorporated in 1902, the bank has a paid-in capital of $50,000 and total deposits of approximately $5.500,000. L. O. Tustison is President of the institution.

The Fahey Banking Co., Marion, Ohio, has been admitted to membership in the Federal Reserve System, it is announced by M. J. Fleming, President of the Federal Reserve Bank of Cleveland. This bank is the fifth Ohio State bank to be admitted to membership this year. The bank was established in 1865 as a private bank but was incorporated in 1893. The bank has a capital of $200,000 and total deposits approximate $3,500,000. M. C. O'Brien is President of the institution.

NY Savings Banks War Bond Sales Mount

Deposits Also Rise

The opening of the Second War Loan Drive on April 12 marked a signal day for New York State's 132 savings banks, for on that date purchases of War Bonds by the public through their offices passed the $500,000,000 mark, according to preliminary figures and estimates prepared by the Savings Banks Association. At the same time the gain in savings deposits for March was the largest for that month in over 10 years. A large proportion of the War Bond sales since May 1, 1941 is represented by Series E bonds, of which it is reported that the savings banks have sold over 30% of the State total.

The Association's announcement further said:

"Despite this huge sale of War Bonds to depositors and through payroll savings plans, and despite the impact of income taxes last month, the savings banks report a continued increase in deposits for the tenth straight month. March figures reveal a gain in dollars of $30,960,000, making the gain for the first quarter $93,015,000.

"The gain for the six months ending March 31 was $213,684,496 and for the year $270,751,011. This steady and heavy gain in deposits is enabling the savings banks to add substantially to their holdings of Government bonds and so help to soundly finance the war effort. Since July, 1941, the savings banks have bought an additional $644,000,000 of U. S. Treasury Bonds and their subscriptions during the first two days of the Second War Loan Drive exceeded $400,000,000.

"Significant too, of the trend toward increased savings is the gain in new accounts. 81,844 new savings accounts were opened in the month of March. This resulted in a net gain of 17,583 accounts for March and 51,138 for the quarter. The number of open accounts as of March 31 was 6,053,142, compared with 5,975,507 a year ago. Deposits stood at $5,663,106,185, against $5,392,355,174 on March 31, 1942."

Wood Is Deputy Supt. Of N. Y. Banking Dept.

Elliott V. Bell, New York State Superintendent of Banks, announced on April 14 the appointment of John Frank Wood formerly Trust Officer of the Chemical Bank & Trust Co., New York City, as Deputy Superintendent and Counsel of the Banking Department. The position has been vacant since last Oct. 30, when Jackson S. Hutto, then Deputy Superintendent and Counsel, was appointed Superintendent. Mr. Wood was graduated from Harvard College with an A. B. degree, summa cum laude, in 1930. He is a member of Phi Beta Kappa Society. He was a traveling fellow of Harvard College in Continental Europe in 1930-31, and in 1934 he was graduated from Harvard Law School. From 1934 to 1937 Mr. Wood was associated with Barry, Wainwright, Thacher & Symmers, of 72 Wall Street.

Since 1937 Mr. Wood has been in the employ of Chemical Bank & Trust Company, first as attorney and later as trust officer in charge of the legal division of the bank's personal trust department.

NY State Eases Bank Reserve Requirements On War Loan Deposits

Elliott V. Bell, New York State Superintendent of Banks, on April 13 informed banking institutions of the State, which are qualified war-loan depositaries, that they "need not maintain reserves against deposits payable to the United States arising solely as a result of subscriptions made by or through such banking organizations for U. S. Government securities issued under the authority of the Second Liberty Bond Act, as amended."

This action was in accordance with a bill signed by Governor Dewey on April 2 authorizing the State Banking Board to exempt from reserve requirements war-loan deposits. A similar bill exempting from reserve requirements war-loan deposits of member banks of the Federal Reserve System was signed by President Roosevelt on April 13.

In his letter of April 13 to the banking institutions, Superintendent Bell says:

"In anticipation of these two items of legislation, the Banking Board, at its meeting on March 18, last, adopted a resolution providing that on and after the effective date of the pending legislation no banking organization not a member of the Federal Reserve System should be required to maintain reserves against war-loan deposits which are not required of Federal Reserve member banks."

ABA Membership Now Highest In History

The percentage of banks holding membership in the American Bankers Association on March 31 was the highest in the history of the Association, it was reported by George W. Heiser, Chairman of the ABA Membership Committee, to the Executive Council of the Association at its recent meeting in New York. Mr. Heiser reported that 87.74% of the country's banks were members of the ABA on that date. According to the announcement, on March 31, 1943, there were 14,368 members as compared with 14,313 on the same date of the previous year. These member institutions represent approximately 97% of the banking resources of the country. Seven States and the District of Columbia have 100% membership. The States are Arizona, Idaho, Nevada, New Mexico, Oregon, Utah, and Washington. It is added that a total of 316 new members has been added to the roster since Sept. 1, 1942.

Mr. Heiser paid tribute to the membership men working in the field. He stated that most of the 316 new members were added after gasoline rationing went into effect and during a period when all bankers have been unusually busy, both in their banks and in civilian war efforts outside of the banks. "Despite the curtailment of time available," he said, "approximately 100 men, who comprise the membership organization, gave up their leisure and in many cases devoted their week-ends in order to maintain and increase the membership."

Clark And Cox Confirmed In Justice Dept. Posts

President Roosevelt's nominations of Tom C. Clark of Texas and Hugh B. Cox of the District of Columbia to be Assistant Attorney Generals were confirmed by the Senate on March 25. Mr. Clark was named to succeed Thurman Arnold as head of the Anti-Trust Division of the Department of Justice, and Mr. Cox was appointed as head of the new War Frauds Division of the Justice Department. The President sent these two nominations to the Senate on March 16.

Mr. Clark became associated with the Justice Department in 1937 in its War Risk Litigation Bureau, but since 1938 has been connected with the Anti-Trust Division. Mr. Cox has also been a member of the Anti-Trust Division staff, joining after several years' practice with a private New York law firm.

Mr. Arnold was recently made a Judge of the U. S. District Court of Appeals for the District of Columbia; referred to in our issue of Feb. 25, page 763.

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